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# **Policy-making and Deliberation in Urban Village Regeneration in China**

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## Declaration

The candidate confirms that the thesis submitted is his own work, except those parts of the thesis developed based on a joint authored publication with his supervisor, Professor Hendrik Wagenaar. This joint work are mainly exists within Chapter One, Six, Seven and Nine, and other small parts in the thesis, where content within this thesis has appeared in publication as follows:

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The candidate was responsible for undertaking all sections in this paper, his supervisor Professor Hendrik Wagenaar provided a detailed review of the paper and made contributions to the discussion sections.

The candidate confirms that appropriate credit has been given within the thesis where reference has been made to the work of others.

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## **Abstract**

The objective of this research is to explore the role and outcomes of democratic deliberation as a political instrument for district and local administrations in the urban village regeneration process under China's New-type Urbanization Plan (2014-2020). The purpose of the research is to use detailed field research to inquire into deliberative practices regarding urban village regeneration to advance the theoretical concept of "deliberative system". In particular, this research looks at the role of Chinese rural regimes (which combine village committees and village party branches) in the regeneration process, as well as the citizens' reactions to the deliberations led by local governments and their grassroots level branches. Empirically, the investigation focuses on two stages of the urban village regeneration programme. First, the thesis discusses how the local government can relieve the conflicts resulting from public resistance as well as enhance the effectiveness of the programme. Second, it discusses the transformation of the grassroots level governance system regarding the regenerated urban village community, including the transformation from the village governance system to an urban community governance system and the integration of villagers as ordinary citizens. Throughout, deliberation plays a significant role in both policy-making and policy implementation process.

Deliberation in the context of urban village regeneration is part of a complex, scalar, political-administrative system, with many actors whose activities are often not aligned. Although this configuration has authoritarian traits and operates largely without the protection of a strong and well-functioning rule of law, it is not all-sovereign. One of the most fascinating aspects of urban village deliberation is the way that it reveals the limits of authoritarian rule. As the thesis shows, the Party encounters the same problems of technical, social and institutional complexity, with the ensuing limits on vertical steering, as experienced by administrations in democratic countries. This thesis contributes to a better understanding of the relationship between democratic deliberation and public policy making, and the theory of deliberative systems.



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# Chapter One: Introduction

## 1.1 A Brief Introduction to Urban Village Regeneration

In the last four decades, China has experienced double-digit economic growth accompanied by unprecedented urban expansion and social change. One of the side effects of this urbanization has been the emergence of so-called “urban villages” (Liu *et al.*, 2010; Ho, 2003; Lin and Ho, 2005). The urban village is a special type of urban neighbourhood, produced by the unique institutions of the land ownership and *Hukou* systems (Liu *et al.*, 2010; Wu *et al.*, 2013), two systems that will be explained later in this thesis. Although urban villages are geographically part of a city, they have retained their original village structure administratively and in terms of property rights. They also function as a repository of affordable accommodation for the millions of migrants, who have been attracted by the economic opportunities that the city offers but lack the necessary *hukou* rights for full social and economic integration. This is because the Chinese urbanization process has been characterized by rapid urban land expansion since 1990. Accompanying this expansion, the surrounding village territories were absorbed into the urban territories throughout the country (Tian, 2009; Zhang, 2003). These rural villages were self-developed from rural settlements into transitional neighbourhoods by the native villagers (Liu *et al.*, 2010). Within China’s megacities, urban villages are thus a common form of informal settlement.

These transitional neighbourhoods are named “urban villages” in Chinese literature. The urban villages were traditional rural villages located close to the cities. Aiming to enhance the land development and urban expansion, the central government encouraged local governments to acquire the rural farmlands from these villages. Meanwhile, their housing plots, as well as their property, had been left for villagers (Lin *et al.*, 2011; Han *et al.*, 2009). In short, the villagers owned their housing plots but lost their farmland. Leftover village lands (mainly housing plots) have always been self-developed by villagers for commercial and residential usage, especially for low-rental housing (He *et al.*, 2009; Ho, 2003; Ho & van Aartsen, 2005) and mostly rent to migrant workers (Liu *et al.*, 2010; Zhang *et al.*, 2003).

In order to secure higher rental income, despite insufficient planning or permission to develop (Liu *et al.*, 2010; Lin and Ho, 2005), villagers usually attempt to build their buildings as large as possible (Ho 2003). These low-quality houses are characterized by closely packed residential blocks with 2–8 floors; the apartment blocks have an exceedingly high population density. In short, the urban village in China could be considered as an informal settlement, developed from the rural village in the context of urban expansion. Because of the residential component and dual land ownership these neighbourhoods are characterized by unstable property rights and a mixture of urban and rural society (Liu *et al.*, 2010). In Chinese culture, as well as in the national academic discourse, urban villages have a negative reputation, with high population density, poor-quality housing and allegedly high crime rates (Zhang *et al.*, 2003; Liu *et al.*, 2010). However, they often occupy geographically attractive sites within the urban environment with high potential land values when developed (Hao *et al.*, 2011).

For various reasons, local governments have embarked on a programme of regenerating urban villages. Local governments, in search of additional revenue and job growth, have long targeted urban villages for profitable regeneration. The background to this was the Party's strategy to use competition between cities as a means to attract domestic and foreign investment. Initially, in the early 1990s, the two major policy instruments in this strategy of internal competition were the revised Planning Act and the so-called Tax-Sharing system. In this arrangement central government only took part of the revenues generated by local governments and left the remainder as the financial resources for local governments to seek further development and to pay for public services and the welfare system. This arrangement became a strong incentive for local governments to maximize revenues from land release, including land auctions and land transformation fees. When China formally joined the World Trade Organization (WTO) in 2001, foreign capital was allowed to directly invest in real estate, the land market and other industries outside the 'special economic zones'. The result was a significant acceleration of land acquisition by local authorities and subsequent urban expansion.

Urban village regeneration was, thus, a strategy to acquire valuable urban land for purposes of local economic development, a process that was made easier by the negative reputation of urban villages. Initially, this process took the form of "demolition and



development” (Zhang, 2005). Within the targeted area, all buildings and infrastructure were completely demolished, after which the area was redeveloped following the new planning proposal. This type of redevelopment became increasingly controversial as it led to many undesirable side effects, such as large-scale displacement of residents, the emergence of housing bubbles and a growing sense of injustice among residents. One of the drivers of these negative unanticipated consequences is the complex process of property acquisition (land, houses and infrastructure) that precedes the regeneration. Thus, a policy configuration arises in which village residents, who own the land in the urban village, find themselves pitted against local authorities who seek to acquire the land at the lowest possible price. This configuration is further complicated by three additional factors: the traditional collectivist and deliberative decision-making process in villages, the fact that urban village regeneration is organized as a public-private-partnership (PPP) arrangement (with private developers doing most of the development work in exchange for a share of the profits) and the asymmetrical power relations between villagers on the one hand and the local and district authorities and property developers on the other.

To obtain the necessary property rights in the areas occupied by urban villages, local governments followed one of two strategies. The first and earliest of these was market-based. After the government’s endorsement, the private sector was allowed to directly negotiate with the village residents. It had a certain autonomy to amend the compensation for each individual if they felt necessary. To compensate for the loss of rental income from their largely illegal additions to buildings, villagers were offered compensation in the form of newly-built apartments in the reallocation community. To obtain higher compensation packages, village residents adopted petitioning as a bargaining strategy. To defuse the petitions and protests, government and developers increased the compensation ratio, in effect rewarding continued resistance. In some cases, native villagers were able to obtain ten or more apartments this way. This in turn resulted in overbuilding and the emergence of local housing bubbles.

This arrangement was supported by the expectation that the superior location of the villages and the high potential market value of the developed property would generate considerable profits (Chung, 2009; Lin and De Meulder, 2012; Hin and Xin, 2011).

However, while these financial projections were largely met in the large East-Coast cities, the profits were much lower in smaller central cities such as Happy City, our case study site. For this reason, developers and construction consortiums began to shy away from the full responsibility for the regeneration process. Instead, the state stepped in and local government, such as in Happy City, took charge of the process of land acquisition, demolition and reallocation. The aim was to limit the negative consequences of land-centred urbanization and to pursue financially sustainable urban development. However, the negative side effects of the market-driven strategy became an obstacle in the implementation of the government-led strategy. The villagers' negotiating skills had raised their expectation of compensation to levels far beyond the government's capacity. To make the strategy financially viable and to create optimal space for revenue-generating and job-creating commercial developments, the government more-or-less shut down the possibility for village residents to negotiate the size of the compensation package (Lu *et al.*, 2015). In the next two sections we will see that village deliberation did indeed begin to play an important role in the regeneration process, but that in practice it existed in an uneasy relationship with the complex, scalar Chinese government system.

Initially, most of these initiatives were rather heavy-handed demolition-redevelopment projects. These early regeneration efforts proved to be controversial as they resulted in resistance by residents (through protests, petitioning and collective resistance), undesirable side-effects such as large-scale social displacement, housing bubbles and ghost towns, as well as a perceived loss of legitimacy by national, regional and local governments. In 2014, China's state council issued a new national policy: the New-Type Urbanization Plan 2014-2020. This new policy stimulated the urban village regeneration programme throughout China. This new policy emphasises the "urbanization of the people" as the first priority – not only confirming 100 million urban villagers and rural migrants as new urban citizens by 2020 - but also improving housing conditions for low-income groups and providing education for rural migrants' children. The government believes that urban village regeneration should not only pursue economic growth and physical development of the site, but should also integrate the various groups of urban villagers into urban society. Therefore, in this research, I will argue that urban village regeneration is a complex long-lasting programme, involving different scales of

governance, and aimed at physical regeneration, political integration, and social integration in addition to economic and urban development.

As a national level political movement, it is important to China's government for this policy to target both the villagers' integration and the unblocking of the urban-rural dual-tier governance system (as explained in Chapter 2) within the city. Through the urban village regeneration programme, in terms of the governance system, the municipal governments want to develop the urban villages into an urban residents' community and use the residents' committee to replace the village committee as the grassroots-level authority. However, this movement faced a great challenge. This is because the urban-rural duality (will be discussed in Chapter 2) is underpinned by a *hukou* system and territorial-based administrative functions<sup>1</sup>. To promote the involvement of village residents in the regeneration process, the Party stipulated deliberation with village residents as a central instrument to improve "local governance", in particular grassroots-level governance, and reduce social unrest.

## 1.2 Research Rationale

After the last four decades of 'opening-up', China has experienced an economic and social reform which introduced liberal and democratic elements into the country's governance (Howell, 2004). The China Communist Party (CCP) cooperates with private entrepreneurs, professionals and technocrats to optimize its decision-making and legitimize its leadership. Meanwhile, the central government decentralized economic power to the local governments and allowed them to have some autonomy to manage their own issues. As a result of this reform, the roles of private entrepreneurs, professionals, technocrats and the public are becoming increasingly significant in the local development process. Therefore, it is important to investigate how Chinese local governments cope with these actors. This thesis will use the urban village regeneration programme as a lens to explore Chinese local governance. In particular, this thesis will focus on the role of democratic deliberation as a policy instrument for local

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<sup>1</sup> See Li *et al.*, (2018): "urban villages are administrated by village committees and the supervising township governments, the two levels of rural administration constituting what are called rural collectives. As direct descents of the former People's Communes, these collectives assume both economic and administrative functions, including ownership of land within their jurisdiction. (2018: 3)"

administration. It aims to contribute to a better understanding of the relationship between democratic deliberation, public policy making and the theory of deliberative systems.

There are three rationales for this research to select the urban village regeneration programme as an ideal lens to explore Chinese local governance and deliberations. Firstly, urban village regeneration is an arena that reflects the tensions between state and society in a wider modern China. In recent decades, urban village regeneration has become an economic and social incentive for local development that attracts the concern of the local government, and has the potential for conflicts between government and the general public. Within this context, how deliberation could provide an answer to these tensions is particularly worthy of investigation. Therefore, this research sets out to investigate how local governments use these deliberation to cope with the conflicts between the various stakeholders.

Secondly, the urban village regeneration programme involves many actors including the government, village authorities, developers and the villagers (general public). Initiated by, and under the guidance of, the Chinese Communist Party (CCP), local governments are compelled by law to adopt a deliberative approach to urban regeneration. The proximate reasons are to increase social and political stability, limit social unrest and increase the government's legitimacy (Qin and He, 2018). Deliberation over urban village regeneration consists of different and disparate elements, such as authoritarian rule, corporate project management, command-and-control regulation, popular protest, public-private arrangements, rumours, traditional village deliberation, subterfuge and playing the system. Thus, through the investigation of the interactions between the different actors involved, urban village regeneration is an important site to explore how deliberative the political and administrative system in China is in practice.

Third, deliberation in China functions as one element in a large number of techniques of preference formation, decision-making and policy implementation. In this, it does not differ in principle from the deliberative systems of the liberal democracies of the West. However, deliberation is also closely linked to Chinese culture and history, especially in terms of Confucian moral philosophy, which connects to authoritarianism. For example,

the Confucian ideal of *min-ben* (being people-centric) was a political foundation for Confucian deliberation (He, 2014). Meanwhile, Confucius stated that “in a world which follows the Way, there is no need for commoners to dispute over politics” (He, 2014: 62), which limits deliberation to the central level and reinstates political authority. This thesis aims to contribute therefore to the theory of authoritarian deliberation.

Accordingly, deliberation in the context of urban village regeneration is part of a complex, multi-level, political-administrative system, with many actors whose activities are often not aligned. Although this configuration has authoritarian traits and operates largely without the protection of a strong and well-functioning rule of law, it is not all-sovereign. In fact, one of the most fascinating aspects of urban village deliberation is the way in which it reveals the limits of authoritarian rule in a modern national and international context. As we show, the Party encounters the same problems of technical, social and institutional complexity, with the ensuing limits on vertical steering, as administrations in democratic countries. For example, after regeneration, when officials attempt to curtail the legally mandated village deliberation process within urban community governance, they encounter stiff resistance and even a participation strike. Therefore, this research will also focus on how hierarchical commands sit uneasily with deliberation throughout the process.

### **1.3 Research aims and questions**

This study adopted a systematic framework to investigate the deliberation processes involved in Chinese urban village regeneration and the governance of regenerated communities, as well as the integration of villagers into the urban fabric. This research was carried out in response to a political movement by China’s central government - ‘New-type Urbanization Plan 2014-2020’. The aim of this research is to explore the role and outcomes of democratic deliberation as a political instrument for local administrations in the urban village regeneration process. This research leads to the following research questions:

1. On what grounds do local governments adopt democratic deliberation in the urban village regeneration practice?
2. How does the process of democratic deliberation proceed in the process of urban village regeneration?

- What role does the village administration play in the regeneration process?
  - How does democratic deliberation play a role in the redeveloped urban village community?
3. How does the village deliberative system fit into urban community governance?
  4. What is the place of deliberation in the larger governance configuration around urban village regeneration?
  5. Is authentic deliberation happening in authoritarian China?
    - Do the interactions between stakeholders have the general characteristics of democratic deliberation?
    - To what extent is this a form of authoritarian deliberation?

## **1.4 The Structure of the Thesis**

The thesis begins with the discussions around the political, social and economic context. Chapter Two will discuss the social and economic context of urban village regeneration, which includes China's land-ownership system, urban development mechanisms and urban village regeneration approaches. It focuses on questioning why implementing an urban village regeneration programme is necessary for China's local governments.

Chapter Three will introduce the complexity and diversity of China's local governance system from an inside-out perspective in order to explain how social, political and economic change varies among different provinces, cities, districts and villages. This chapter will also explain that the power structures in China are hierarchical, however, that authority has become increasingly devolved to the local government and the hierarchical structure is becoming "fragmented" and "disjointed" (Keane, 2017: 2). These two chapters not only introduce the background information about this research, but also set out a specific context within which to understand China's deliberations.

Chapter Four will introduce the theoretical framework of this thesis. As with the political decentralization, China has been experimenting with some forms of democracy, in particular at local-level, such as democratic elections in rural villages and deliberations in conflict-solving. Therefore, this chapter will raise an important theoretical question: is authentic deliberation going on in authoritarian China, in particular, within urban village regeneration? Admittedly, deliberation, deliberative cultures and institutions within

China are different from those in liberal democratic contexts. The systematic approach of deliberative democracy provides a framework to examine its characteristics and evaluate the quality of these deliberations. It helps the researchers to understand the designs, developments and the implementations of the deliberations and deliberative institutions in China despite contextual differences (Dryzek and Tang, 2015). The chapter will then explain how this approach can be used to develop an analytical scheme to encourage the diverse kinds and sites of deliberative practices and institutions within the particular political issue of urban village regeneration. Based on this systematic approach, this analytical scheme will be used to evaluate the deliberative functions of political actions in imperfectly deliberative moments.

Chapter Five will outline the research methodology and further explore the research aims, objectives and questions. This chapter will justify the selection of cases and samples; meanwhile, it will also explain the research methods, design and the procedures for the data collection and analysis.

The empirical studies of this research will begin with Chapter Six; this chapter will present two cases of urban village regeneration in Sunny District in considerable detail. This is because the policy context of different cases varies greatly from village to village in China. Thus, the political-administrative context of these two cases should be specified. Chapter 6 will introduce the social and political background of these two cases: Village N and Community T. This background information on the political and social context is important for understanding the later policy interpretation (Chapter 7 and Chapter 8).

The research objective of Chapter Seven and Eight is to explore and understand how democratic deliberation played a role as a political instrument used by the local administrations during the urban village regeneration process. Through the in-depth investigation of two cases, this chapter focuses on the role of Chinese rural regimes, including village committees and village Party branches, in the regeneration process and the citizens' reactions to the deliberations led by local regimes. Following the case studies, this thesis will argue that the scalar governance system around urban village regeneration can be regarded as a deliberative system, which operates on different spatially and functionally distributed registers of deliberation, negotiation, exhortation,

persuasion and top-down decision-making. These two chapters address three questions:

*1) What role does the village administration play in the regeneration process? 2) How deliberative are the deliberation and deliberative system in an urban village regeneration programme? 3) What is the place of the deliberative system in the larger governance configuration around urban village regeneration?*



## **Chapter Two: Complexities of Urban Village Regeneration**

### **2.1 Introduction**

This chapter will discuss the social and economic context of urban village regeneration, which includes China's land-ownership system, urban development mechanisms and urban village regeneration approaches. It focuses on the question of why implementing an urban village regeneration programme is necessary for China's local governments. The first part of this chapter will introduce the formation of the urban village and explain that the complexities of a land-based urban development system are the fundamental reason for urban village formation. Such a system not only brings trouble for urban planning systems but also for urban-rural integration. The second part will introduce the essential characteristics of the urban village. This part aims at helping the international reader to make sense of why urban villages have become enclaves within the cities. The third part will explain that the regeneration of urban villages is a pressing need for local government within the current social and economic context. The main reason is that Chinese cities use space to pursue capital accumulation. Therefore, the local governments not only want to create more space to introduce capital, but also want to improve the quality of the space. This part will also introduce two approaches to urban village regeneration: the market-led and government-led approaches. Because of this urban development system, the regeneration of urban villages is necessary for local governments. Finally, the changing urbanization policy in China: from land-centred to people-originated will be introduced.

### **2.2. The Formation of the Urban Village**

This section covers three topics. First, China's local development relies on the land-based development logic: using land to pursue investments to develop the city. A major dynamic for local government is to acquire land from villagers. Second, this section will explain the chaos and 'tricks' in the urban planning, land ownership and land acquisition systems, which are important for understanding the further analysis in later chapters. This is due to the considerable amount of discretion in the rules that govern land ownership and acquisition, and how different parties use this 'space' to 'play the system' around urban village regeneration. Under the current system, the local government prefers to acquire rural agricultural land and leaves the village residential land, which later becomes the

kernel of the urban village. Finally, the third part will explain the dynamic of the informal and illegal developments within the urban village. These developments have increased in step with the urban development needed to accommodate rural migrants, who have created a huge demand for affordable accommodation; meanwhile, the urban villagers have to find alternative income sources for their livelihoods, having lost their farmland.

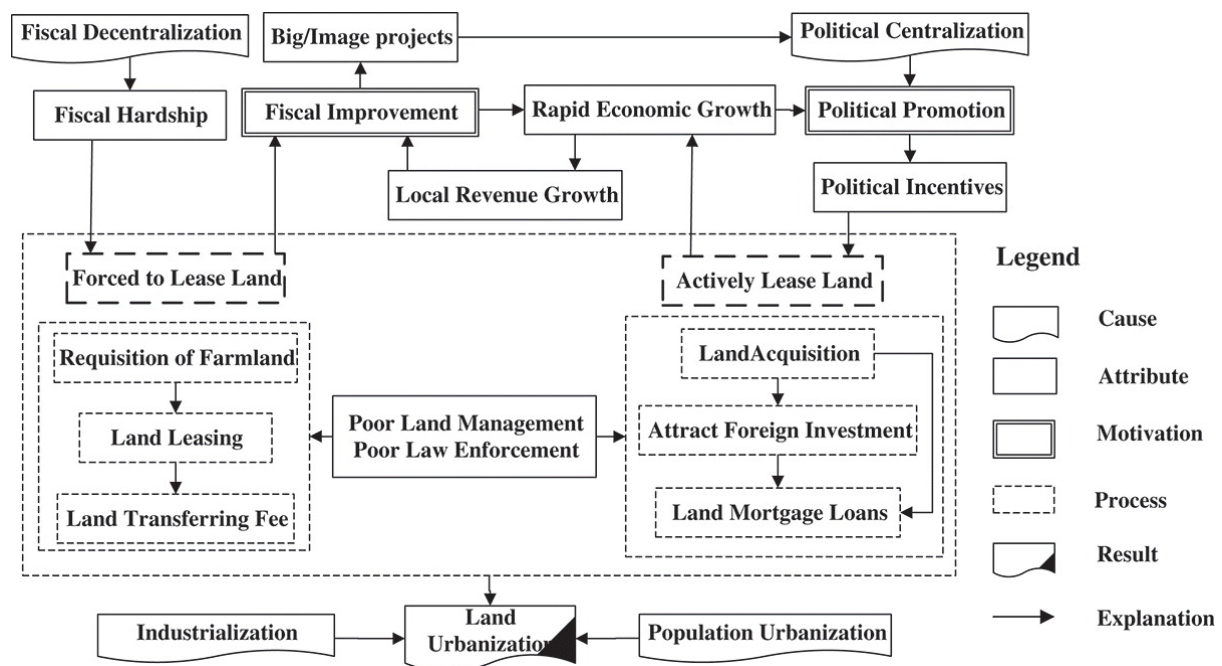
### **2.2.1 Land-based Urban Development**

‘Land-based urban development’ has become the basic logic for local government to develop the cities. This logic has resulted in a series of institutional arrangements which have led to China’s local government acquiring rural land and expanding city sizes at breakneck speed. Since 1978, China’s social-economic reform initiated profound socio-economic transitions. In this era, China adopted a unique urban development system whereby the state tried to create a competitive environment between cities based on a land-driven growth machine and a tax-sharing system (to be explained later). Wu (2003; 2015) points out that the Chinese local governance and urban development strategies are becoming increasingly entrepreneurial. This theory is mainly used to describe two trends: first, the local government keeps local economic development as its priority, particularly, the GDP growth rate. That is, the leaders of local governments become virtual CEOs of the ‘urban development corporation’ (Chien, 2007), instead of being “ideological rulers”. Second, the pressure on local public finance drives the government to initiate urban mega-development projects to gain revenues from land bargains and taxes to fill the gap between budgetary fiscal income and expenditure.

China has operated a tax-sharing system (*fen shui zhi*) since 1994. This system aims at separating the tax sources and increasing the ratio of the central and reducing the ration of local governments. That is, most of the revenues goes to the central level government. This tax-sharing system encourages the local government to pursue revenues and economic growth through a system of land-lease, also known as the “land economy”. This is because the tax-sharing system was designed originally to cope with the decline in the central government’s income since the 1980s; the central government sets up its own tax base (*guo shui*) and leaves partial revenues to the local government (*di shui*). That is, most of the tax from the industrial enterprises belongs to the state; however, most of the revenues from retail and land-lease belong to the local government. At the same time,

with economic devolution, the central government managed to devolve the expenditure of public service and social welfares to the local government. This policy left a fiscal deficit for local governments since they need to share most of the taxes with the central government; meanwhile, they have to pay for the public services they supply to their citizens (Wu, 2015; Hsing, 2006; 2010). The land economy supports local governments in maximising their local revenue to overcome the fiscal deficit (Rithmire, 2015). This is because local governments have power to lease the land-use right and to claim fees from the enterprises as the revenues (see Figure 2.1).

Figure 2.1: Institutional framework for understanding land urbanization in China



Source: He *et al.*, (2016: 439)

As Figure 2.1 illustrates, the ‘land economy’ can be grouped into two kinds: leasing the land at a high price to real-estate developers and releasing the land at a low price (even free) to industries or other big projects. The first model is targeted at the ‘population urbanization’: the revenues from ‘leasing land to the real-estates’ make a ‘once-for-all’ contribution to local income (He *et al.*, 2016). According to data from the Lincoln Institute of Land Policy, “the ratio of land leasing and property – or land-related taxes to local government budgetary revenues – grew from 25 percent in 2000 to more than 90 percent in 2010. Real estate investment – funds invested in the development of land and property – grew from 2 percent of GDP in 1992 to 13 percent in 2011” (Rithmire 2015: 31). The

second model is targeted at the industrialization, which is also desirable for local governments, who have a great willingness to release low priced industrial land, even a zero price, for industrial development projects as they can provide employment opportunities (Hsing, 2006; Rithmire, 2015). The local government can also share a certain amount of tax from industrial development projects, which is a desirable and stable long-term source of revenue (He *et al.*, 2016). Meanwhile, industrial development projects can stimulate the local economy, which can positively affect the local service industry as well as the real estate (Wu, 2015). This could increase the demand for commercial retail space and residential housing and increase the profits and income from 'selling-land', as well as retail sales taxation, which the local governments retain (Rithmire, 2015).

### **2.2.2 The Urban Planning System, Land Ownership System and Land Acquisition System**

This part suggests that China's local government needs an urban planning system to provide legitimacy for its acquisition of rural land; however, it faces obstacles caused by the current land ownership system. These institutional conflicts have brought chaos and the use of tricks into the land acquisition system.

Under the above institutional arrangements, the land becomes the major asset and income source of local governments. The pursuit of economic development and land control has become the primary activity undertaken by local government in China (Rithmire, 2015). This power is strengthened by the planning system, which contributes to local government maintaining this monopolistic position by charging for planning permission on land-sales (Wu, 2015; Hsing, 2010). Before the 1980s, the vast majority of urban land was controlled by state-owned industries and enterprises that enjoyed land-use privileges essentially free of charge. This left city governments to face the dual problems of inefficient land use and a lack of stable funding to invest in infrastructure. Therefore, in October 1980, the National Urban Work Conference drafted a proposal to force the state-owned industries and enterprises to pay taxes and fees to the local government (municipal level or county level) if they changed the land usages. Since 1990, the Planning Act has required all land development projects to conform to the cities' land-use plans. In 1994, China's national government issued the Urban Real Estate

Management Law, which set up a legal real-estate industry and a commercial land market (Wu, 2015). Because the land itself is owned by the state, the land-use right (from 30-70 years) and the properties can be tradeable (Rathmire, 2015; He *et al.*, 2016). The transaction of properties with state-ownership was legally allowed in the free market, that is, properties on state-owned land could be traded and transferred in the market like general merchandise. Therefore, except for geographical and land utility differences, the land value also became polarized because of the land ownership system. This is because the land market and real estate industries are only available for state-owned land, hence the value of state-owned land increased significantly (Hao *et al.*, 2011; He 2009; Zhang *et al.*, 2003). This arrangement allows the local government to lease the land with a real-estate planning permit to the developers through bidding at an auction (Rithmire, 2015). The income from the land became the most important source of local government revenue.

After the land market reform, cities in China experienced rapid urbanization and marketization of real estate properties (Weiss, 2002). This generated a large demand for land to launch urban development; meanwhile, urban territory sprawled out to engulf suburban and rural areas. Crucially, instead of fully-scaled rural land expropriation, only farmland was expropriated for urban development. This phenomenon resulted in China's urban-rural dual land-ownership system, meanwhile, it contributes to the proliferation and formation of urban villages (Zhou, 2014; Lin and Ho, 2005).

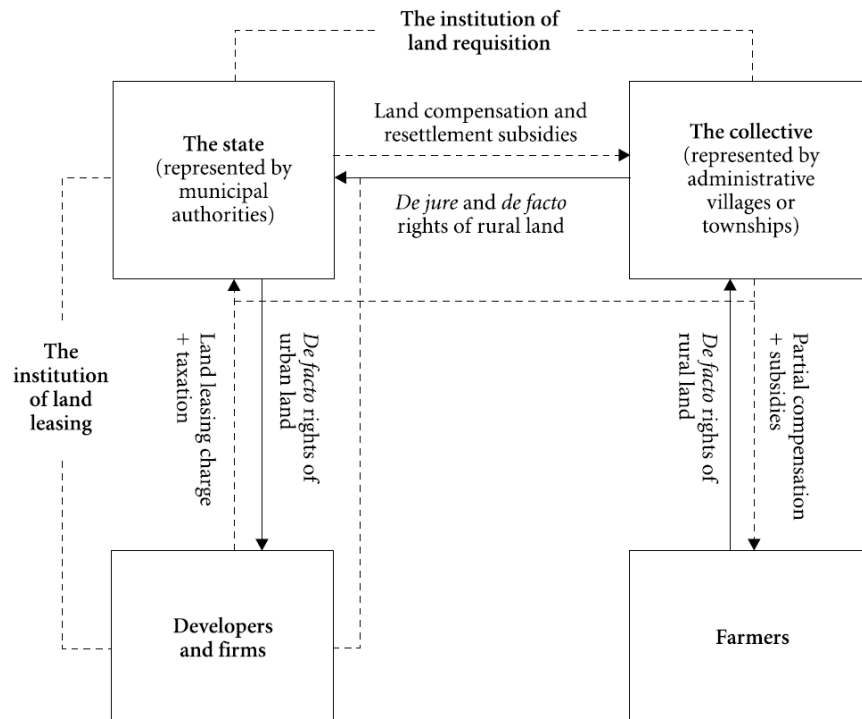
The land ownership system in China is unique in the world and very different from western countries. In China, instead of private ownership as in western countries, China's lands are publicly owned by the state or collectively by rural villagers' collectives (Lin and Ho, 2005; Li *et al.*, 2015, Huang *et al.*, 2015). Simply speaking, land in urban areas is owned by the state and controlled by local governments; this is known as state-owned land. However, the land in rural areas is collectively owned by single villages, which means every villager within the village shares the ownership of all of the village's land; these lands are known as rural collective land. Beyond the simple property-rights attributes, land ownership is also crucial in China's planning control system (Wu 2014; Guan *et al.*, 2018). Under the current regulations in the planning control system, the government cannot develop the rural collective lands until their ownership has been

legally transferred to become state-owned land (Hao *et al.*, 2011). However, this does not mean that a village can develop its land for any kind of non-agricultural use. Beyond ownership itself, the planning system assigns different kinds of property rights and usage rights to different kinds of land and different groups of people (Wu, 2015). Any change in land usage should have planning permission from local government. The case study chapters later in this thesis shows that this institutional arrangement allows the villagers to negotiate with the developers and district government during the regeneration process.

According to the Constitution of the People's Republic of China (PRC), the land within urban jurisdiction is owned by the state and is known as 'state-owned land'. The usages of state-owned lands are controlled by the state (both central and local level) governments through land-use planning permissions (Wu, 2015). However, as explained above the land and collective properties in rural areas are owned by the rural collective and known as 'rural collective land' (Lin and Ho, 2005; Huang, 2018; Li *et al.*, 2015, Deng *et al.*, 2015). The 'rural collective' is the name of the 'juridical person of the rural village' (Wang *et al.*, 2006), which refers to all of the members of the village. That is, rural collective ownership means that all of the members of a village share the ownership of land and collective properties (He, 2005; Wang *et al.*, 2006; Sargeson, 2018). In terms of land-use rights, the usage of rural collective-owned lands was strictly controlled and classified into agricultural land and rural-residential land. That is, neither the utility nor the ownership can be traded, changed or capitalised (Wang *et al.*, 2006; Hao *et al.*, 2011). Only the governments (local and higher level) are the legal entities which empowered by the law to request rural land, and change its ownership: from rural collective-ownership to state-ownership through a complex land acquisition process with an amount of compensation for the village collective and villagers. This process was summarized by He *et al.* (2009) as shown in Figure 2.2 Compared with rural agricultural land, the land acquisition of residential land is much more complicated since the arrangements for compensation are not regulated by law. In practice, the resettlement of indigenous villagers, agreeing the amount of compensation and citizenship arrangements (which will be discussed in the later section about the *Hukou* system) are very difficult and complex processes, which can lead to many social issues. As will be seen, there are no national-level regulations to specify the process for rural residential land compensation; the

different local governments might adopt different approaches and policies to compensate the villagers, such as a market-based approach or a government-led approach. Therefore, the level of compensation might vary in different cases.

Figure 2.2: The institution of land requisition and property rights redistribution in China



Source: He *et al.*, 2009: 1933

In many cases in east-coast cities, in view of the large profits of the real-estate industry, the government has encouraged private developers to negotiate with the villagers directly, based on the market price (Lin and De Meulder, 2012; Hao *et al.*, 2011; Liu *et al.*, 2010). However, aiming at pursuing higher compensation, and even unreasonable sky-high price compensation, villagers adopt a variety of actions as negotiating tactics, such as protests (He *et al.*, 2009; Sargeson 2018; Rithmire 2015). To avoid uncontrolled high costs for land expropriation and social unrest, local governments prefer to acquire rural agricultural land rather than rural residential land (Zhou *et al.*, 2017). Seeking more profit, the central government developed a strategy for rural land acquisition: it prefers to acquire rural agricultural land rather than rural residential land (Lin and De Meulder, 2012). According to the land-use law, the amount of farmland compensation depends on its annual agricultural output; the maximum compensation is 12 times the mean value of local annual agricultural output (Wang *et al.*, 2006; Ye, 2015). However, compensation

for residential land is much more complicated because it involves monetary compensation for the land and buildings, as well as relocating the villagers (house-owners) who lose their homes. This process is complicated, time-consuming and expensive as there are no existing laws to regulate it. To meet the demand of urban sprawl, rural land acquisition has occurred nationwide in almost every city since the 1990s. The total amount of regulated urban built-up areas (i.e. just state-owned land) more than quadrupled between 1984 and 2017, from 8,842km<sup>2</sup> to 55,155km<sup>2</sup>; (National Bureau of Statistics of PRC, 2017).

### **2.2.3 Informal Development of Urban Villages**

Informal development in urban villages refers to villagers who engage in the self-development of their original rural housing into, for example, high-density, low-quality, cheap, rental housing without any permission or authorisation from the government (He et al., 2010; Liu *et al.*, 2010). The motivation of these informal developments is that rural migrants generate demands for cheap rental housing (Mak *et al.*, 2007; He et al., 2010). The informal developments never follow the city and regional plan; meanwhile, almost all of these informal developments have broken the land administration law. As a result, urban village becomes an enclave within the cities, a situation which provides a considerable challenge for local government.

Once the rural agricultural land has been acquired and developed into urban areas, the remaining villages and their residential lands are surrounded by developed urban areas. In the early stages of China's urbanization (1990s to early 2000s), the main targets of the urban development were urban expansion and the growth of GDP (He *et al.*, 2016). The urban development projects focused on manufacturing, construction and basic service industries, all of them labour-intensive. These development projects significantly increased the demand for a workforce at that time (Fan and Wang, 2008); meanwhile, rural modernization had improved farming efficiency, which liberated rural populations from agricultural work. Therefore, a large rural population flowed into the city as migrant labourers because the rapid urban development provided abundant job opportunities (Song and Zenou, 2012: 497). These migrants created a large demand for affordable accommodation in urban areas. However, they found it difficult to access the urban housing system, particularly the social and economic benefits from the urban public



housing system (Lin and De Meulder, 2012). This is because the urban housing system in China consisted of social housing (with limited availability) and general commercial housing. Commercial housing is based on the real-estate industry; it is built under strict supervision by the government, the legal system and the customers. To seek higher profits, this housing is targeted at middle- and upper-class customers; always well-built and designed and furnished to a good, even luxury, standard. Therefore, the existing research (Mak *et al.*, 2007) shows that the housing and rental prices are unaffordable for the vast majority of rural migrants. However, the public welfare policy (including the social housing system) excludes migrants (both rural migrants and migrants from other cities and countries), as they do not hold the indigenous household registration (*Hukou*). This is because access to social housing is based on the local policy and local economic situation. Local government revenue funds these welfare benefits and the central government only provides very limited support, therefore, the local governments only provide affordable housing for indigenous low-income households (*Hukou* holders).

Consequently, rural migrants created a huge demand for affordable accommodation. At the same time, urban villagers have to find alternative income sources to make their livelihoods because they lost their farmland (Lin and De Meulder, 2012). Therefore, they remodelled their homesites without any permission to create many cheap rental rooms. These cheap rental rooms are clearly illegal; however, considering the need for social stability, the local government turned a blind eye to these self-developments rather than demolish them. At that stage, this cheap rental housing significantly reduced the pressure on affordable and accessible accommodations for rural migrants and also provided a new livelihood for urban villagers in the rental business (Liu *et al.*, 2010; Jiang *et al.*, 2009). Some research (Zhou, 2014; He *et al.*, 2009) has criticised the local-level governments for tolerating these informal developments, and even “deliberately designing” them (Zhou, 2014) as a source of affordable housing for rural-migrants, which relieved the pressure on local governments (Jiang *et al.*, 2009). These affordable but informal and even illegal settlements became the primary source of accessible and affordable accommodation, which accommodate massive numbers of migrants (Ye, 2011, Jiang *et al.*, 2009). Like many informal neighbourhoods around the world, these informally developed villages are characterised by “face-to-face buildings”, “narrow roads”, “a thin strip of sky” as well as “inner streets packed with service outlets”, “grocery stores and shops,” and “referred

to as ‘urban villages’ (*cheng Zhong cun* in Chinese, literally meaning ‘villages in city’)” (Liu *et al.*, 2010: 136).

#### **2.2.4 Summary**

To sum up, current research (Zhou, 2014; Lin and De Meulder, 2012; He *et al.*, 2009; Xu *et al.*, 2011) suggests that China’s urban villages are the product of complex social and economic development processes arising for a series of reasons: urban sprawl and industrialization, social and economic reform, the dual land-holding system and the land-based revenue system (He *et al.*, 2009; Liu *et al.*, 2010). In addition, the rapid urbanization process attracts large numbers of rural migrants working and living in the cities. The lack of affordable and accessible accommodation in cities encourages villagers to expand and develop their home site as a rental business without any authorization. These illegal developments and businesses became villagers’ new livelihoods; and the urban village itself became an enclave within the city in which state regulation and enforcement were largely absent (Song and Zenou, 2012; Hao *et al.*, 2011; Zhang *et al.*, 2003; Zhang, 2011).

### **2.3 Characteristics of urban villages**

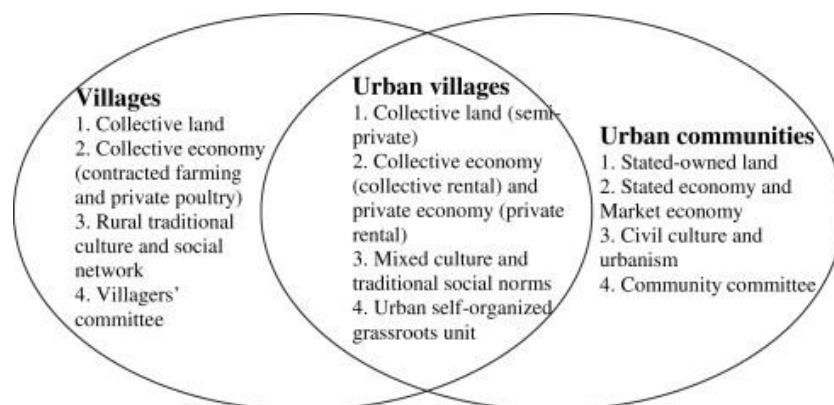
The next section introduces four basic characteristics of the urban village in order to explain from the institutional perspective why urban villages became enclaves within cities. In addition, this section will also explain some particular ‘Chinese concepts’, which might help the Western reader to make sense of the following issues.

#### **2.3.1 Basic Physical Images of Urban Villages**

As stated above, the urban villages have become enclaves within the city, which has generated a series of social issues. The urban village is a transitional neighbourhood that has not been fully and officially urbanized. Urban villages in China are commonly characterized as slum-like informal settlements, which have poor living conditions and high crime rates and are isolated from the urban system (Zhang *et al.*, 2003). These neighbourhoods are increasingly seen as transitional, informal, flexible spaces that link migrants with urban society (Kochan, 2015; Liu *et al.*, 2010; Wang *et al.*, 2009; Wu *et al.*, 2012). According to Figure 2.3 (Liu *et al.*, 2010: 137), the urban village is a mixture of low quality urban residential communities and rural characteristics. To limit the budgets and seek high profits, village houses were simply altered to become high-rise and high-

density buildings with very poor conditions (Tian, 2008). According to Liu *et al.* (2010): “the average household size (2.94 persons per household) and space (26.74m<sup>2</sup> *per capita*) for each urban resident with rural migrant household which is smaller (2.58 persons per household and 14.56m<sup>2</sup> *per capita*); meanwhile, the size of indigenous villager’s household is larger (3.82 persons per household and 43.58m<sup>2</sup> *per capita*)” (2010:137). This caused many safety and security issues. In particularly, fire disasters have frequently caused mass casualties in urban villages. This is because both the constructions themselves and the accommodation rental businesses were illegal and not subject to urban planning and regulatory control in terms of public safety. However, the urban planning department could not fully intervene in these issues as urban villages are beyond the jurisdiction of the urban planning system (Zhang, 2005; Tian, 2008; Zhang *et al.*, 2003).

Figure 2.3: The characteristics of the urban villages.



Source: Liu *et al.* (2010:137)

### 2.3.2 Property rights

Property rights in the urban village are an exceedingly complex issue for the local government when they want to regenerate an urban village. Particularly, most of the properties in urban villages are a combination of a legal building with illegal parts added on. The landlords (native villagers) in urban villages have legal property ownership of the rural housing. This is a bit complicated, as unlike the urban property rights system, the property rights in the rural system are separated into two parts: land ownership and attachment ownership (Ho and van Aartsen, 2005; Zhang *et al.*, 2003; Tian, 2008). The

land ownership is the authentic ownership, which has the right of disposal (Ho and van Aartsen, 2005; Deng and Huang, 2004); however, the attachment ownership is a utility right only (Wang *et al.*, 2009; Deng and Huang, 2004). For example, when we talk about one building in an urban village, we should notice that the land in urban village is collectively owned by the village (all indigenous villagers) and managed by the village committee; that is, the building's owner only has the utility rights of their building – they can rent it out but they cannot sell them in real-estate market (Wang *et al.*, 2009; Ho and van Aartsen, 2005). This is because of the building is one of attachments on collective-owned land which is not allowed to enter the commercial property market (Wu, 2015; Hsing, 2010; Rithmire, 2015). The legal property rights in urban villages are under-protected before and during the process of redevelopment, especially in terms of compensation for the property after demolition (Wu, 2015; He, 2015). In practice, if local government acquires the rural land from the village collective, it still needs to compensate the village collective for the rural land and compensate the villagers for the attachments (Wu, 2015; Rithmire, 2015). The government cannot forcibly demolish the legal property as all of the legal properties are owned and regulated by the village collective. Thus, the local government have to co-operate with village authorities to compensate, acquire and demolish (Hsing, 2010; Rithmire, 2015). However, since most of the housing within the urban village consists of illegal buildings (Wu, 2015; Hsing, 2010), they are unauthorised by either urban or village authorities. This is because the land use law requires that all of the development within a village should have the permission issued by the township-level government<sup>2</sup>, which can compel the demolition of illegal buildings without any compensation.

Controversially, in the era of urban village formation, China's local governments lack the incentive to deal with informality and informal settlements. Instead, the local government tolerates these illegal constructions, not only because the villagers are not directly under the control of the district-level government, but also because these informal buildings effectively release the pressure on the local government to build affordable accommodation for rural migrants (Liu *et al.*, 2010; Wu *et al.*, 2012). In addition, from the urban governance perspective, property demolition and the relocation of urban residents

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<sup>2</sup> Township-level government is the lowest level local government in China, it is directly supervised by county/district level government.

have generated risks for state-society conflict (Sargeson 2018; Rithmire 2015). Therefore, these illegal buildings are likely to survive until the regeneration of the urban village occurs. These buildings can be distinguished as being of two parts (legal parts and illegal self-expansion parts) This is because most of the informal developments are expansions by the owner (Tang and Chung, 2002; Hao *et al.*, 2011). For example (see figure 2.4), the original housing is only on two levels, but the villagers have converted it into 5 levels by building 3 more levels onto their former house instead of totally rebuilding it. Therefore, although the actual floor-space area within the urban village is high, the area of legal floor-space remains very limited.

Figure 2.4: Photos in urban villages.



*Source: photos from fieldwork*

### 2.3.3 Population in the Chinese urban village

At this point, it is important that the household registration system should be explained. It is a fundamental institution in China that groups people by two criteria: original living

place (local or migrant) and *Hukou* type (whether citizenship is urban or rural). All people are allocated a *hukou* type and location; and both *hukou* type and location are passed on from parents to their children (Liu *et al.*, 2010; Song *et al.*, 2008). In China, *Hukou*-based citizenship includes political rights, economic rights and the right to access the welfare system (He, 2005). Remarkably, as the *Hukou* system allocates people by both original living place and *Hukou* type, their citizenship is strongly spatially bounded by their original home.

The residents in the urban village are separated into indigenous villagers and migrant workers (Zheng *et al.*, 2009; Chen and Fan, 2016). The indigenous villagers own their household registration and property in the urban village, and all of the indigenous villagers collectively own the land (He, 2005). They have full citizenship in their village and, since they own their property in the village, they also play a role as landlords to the migrant workers (Zheng *et al.*, 2009). The migrant workers are another group that live in the urban village. As they are tenants in the village, they do not own land, property or household registration within the village (He *et al.*, 2010; Chen and Fan, 2016). Existing research (He *et al.*, 2010; Zheng *et al.*, 2009; Chen and Fan, 2016) suggests that, in terms of population size, migrant workers are the largest component of the population in urban villages. However, in terms of the household registration status in the locality, the migrant workers are officially considered as outsiders in the village (He *et al.*, 2010; He, 2005; Chen and Fan, 2016). These people only have limited citizenship in the village, especially political and economic rights. Thus, during the redevelopment process, the migrant workers are always displaced without exception.

Majority residents in urban village are employed in low status: “small business owners and self-employed (17.86%)”, “service sector and manual workers (17.86%)”, as well as “casual workers and others (52.68%)” (Hao *et al.*, 2011: 218). In addition, Hao *et al.* (2011) took another investigation on the livelihoods of villagers in an urban village in the Futian District of Shenzhen and find out: “majority income is the informal accommodation renting (60%), and the village collective economies’ profit-sharing (30%)” (2011: 215). Based on the social and economic status in the urban villages, compared to the migrants, the indigenous villagers are a higher class with privileges: priority access to facilities and events, enjoying certain public services and welfare from the village collective and

political rights in terms of negotiating with village authorities (this will be discussed in following sections). Nevertheless, compared to urban citizens, both of these groups are the marginalised classes in the city who living in deprived communities.

#### **2.3.4 Authorities and Governance System**

In the current legal and administration system, the village committee is the autonomous grassroots organization, which is nominally led by the Village branch of the Chinese Communist Party. The village committee takes charge of routine governance and village affairs, meanwhile the village Party Committee takes on the duty of ideological control, particularly in some political issues (He, 2006; Louie, 2001; Kelliher, 1997). Many studies (Hao *et al.*, 2011; Liu *et al.*, 2010) point out that, within the transitional process, the village committees retain the traditional rural governance structure to undertake routine affairs in the urban village, mainly about managing their village collective property in the urban market context. In the traditional rural governance structure, as some villages usually have a large population to govern, the village committee is always constituted to include several villager groups which serve as the authorities to deal with the routine matters of village life (Zhou, 2010). The village committee serves as the body which negotiates the “big issues” across the groups. In many cases, some land is specifically reserved for potential development (particularly industrial development), which is known as “reserved land” or “industrial land” within village collectively owned properties (Li *et al.*, 2014; Wang *et al.*, 2009). The land was intended for village collective economic development, which provides funding for the village routine budget and basic services for villagers. This is because the local government is not willing to cover the budgets for the villagers’ welfare and the administrative routines of the village (He, 2005; 2006). Therefore, the village committee operates various forms of shareholding<sup>3</sup>, mainly companies and co-operatives (He, 2006; Tang, 2014), to create profits to fund themselves by managing collective properties, especially through renting or developing the reserved land (Wu, 2012). These actions are supervised by all the native villagers because all profits of these companies are used for their benefit: sharing the profits, improving villagers’ living conditions and providing public services such as social security, infrastructure maintenance and constructing collective-owned buildings (Zhou 2010).

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<sup>3</sup> shareholding companies can *always* be undertaken by village committees in China, but the forms might be difference in different cases

Therefore, the urban village becomes an enclave, since the village routine affairs are administrated by the village committee and their indigenous villagers' welfare is provided by the village (or shareholding economies) rather than by urban welfare and public services.

## **2.4 Why regeneration projects are undertaken and the problems they generate.**

This section explains why China's local government has strong incentives to regenerate urban villages. There are two perspectives: space shortage within the city and competition between the cities. In addition, the ways in which these villages are to be regenerated and the challenges and side effects of the different approaches will be examined.

### **2.4.1 Space Shortage within the City**

The first incentive for regeneration is to create more space for cities to introduce industries, primarily, the real-estate industry. As mentioned above, since the 1990s, local governments have held the right to release the usage rights for the land and to claim the resulting revenues (Rithmire, 2015). Consequently, local governments have become increasingly aggressive on land (re)development as a way to generate revenue and attract investment (He, 2015). This is because, the state (both local and central) monopolizes the land ownerships and primary land market with the discretion to levy taxes and make rules (Wu, 2012; Deng *et al.*, 2010). The main approach to redevelop the old urban community in China is the public-private partnership between local government and real estate developers. Consequently, the urban area has been expanded rapidly over a few years (Wu, 2015; Liu *et al.*, 2010). To slow down the urban expansion, in 2007, led by the central government, the Ministry of Land and Resource (MLR) adopted the "toughest" policy to restrict local governments' ability to acquire rural land (He, 2014; Zhang *et al.*, 2014). In addition, a strict quota programme was established: "each subnational jurisdiction is assigned an amount of arable land that cannot be decreased and an annual amount of rural land that may be converted for urban construction" (Rithmire, 2015: 7). Thus, local governments now have to regenerate the old urban neighbourhoods to create the space for development (Hao *et al.*, 2011).



As mentioned in previous sections, governance and planning were reinforced in the 2000s, accompanied by the development of a land-driven growth machine. In that context, the Urban and Rural Planning Law 28<sup>th</sup> Oct 2007 was enacted in 2008 by the Ministry of Land and Resource (MLR) which had begun to enforce a system of land development quotas, especially in the regulation of the conversion of rural to urban land (Wang *et al.*, 2010; Zhang *et al.*, 2014). As a result, local governments can no longer easily acquire rural agricultural land, which has forced them to create space through urban regeneration. This has involved the demolition of old and run-down areas and neighbourhoods, especially those inefficient areas with low land-utilization such as shantytowns, old run down factories and urban villages (Sorace and Hurst, 2016; Chen *et al.*, 2016).

#### **2.4.2 Competition between cities**

As stated above, academics, the government and the media widely condemned urban villages in terms of bad construction quality, poor living conditions and intensified crime and social disorder (Liu *et al.*, 2010; Zhang *et al.*, 2003). The population within the urban village is high-density, however, the land use in urban villages is badly managed as it does not make a sufficient economic contribution (Wang *et al.*, 2009; He *et al.*, 2010). However, each city needs to speed up the development to win the competition with other cities to attract investment and special priority policies from the higher-level government. Investment and priority policies (see Chapter 3) always accompany a big project. Therefore, to attract big projects, a local government should create not only sufficient space, but also a positive environment (Zhou 2010). This approach was developed since 1978; the east-coast cities in China tried to introduce foreign investment and industries from the western world. As these programmes were important opportunities for development, local governments always tried their best to prioritise the programme (ibid). During 1980s-2000s, a large number of fixed-asset investment projects or engineering projects have been developed and constructed throughout the country; therefore, China was nicknamed “project-impulsed nation” (Hsing, 2006; 2010). Generally speaking, creating the conditions for each project is the most important ‘task’ for local government. As they face the competition from other cities, each local government should create the conditions for the project as quickly as possible. To attract enterprises, local governments need to make greater efforts: acquire large plots of land for them to build factories and little airports; and release land with a very low ratio of

land-transferring fees<sup>4</sup> and other advantages such as tax ratio discounts, priority in water and energy supply and better infrastructure.

Local governments do not develop the cities themselves; they seek partners, mainly private developers, Foreign Direct Investments (FDI) and state-owned industries. Therefore, one of the most important targets for urban development is attracting not only foreign investment but also domestic capital from other regions, such as introducing an enterprise from another city (Ding and Lichtenberg, 2011; Li *et al.*, 215). To be attractive and mobilize investment, local governments set up economic development vehicles, known as 'local financing and investment platforms' (Lu and Sun 2013), to facilitate the development projects. Within the platforms, each development project has certain priorities in terms of the urban administrative process: the local government will aggressively mobilise local economic and political sources to facilitate these projects and seek to develop the city by attracting and launching them (Pan *et al.*, 2017; Zhang and Barnett, 2014). Therefore, local governments need more land to launch these projects. As the central government strictly limits rural land acquisition, especially of agricultural land, urban regeneration creates a major land source (Wu, 2015; Zhang and Barnett, 2014). In addition, to increase the cities' competitiveness, local governments have to provide better urban environments and infrastructure. Therefore, China's urban development is heavily reliant on land development and the local revenue is heavily reliant on land revenue. This institutional arrangement encourages local government to facilitate urban and urban village regeneration, as it not only provides space for attracting investment, but also improves the urban environment and infrastructure.

After the global financial crisis in 2008, the Chinese central government redirected urban redevelopment towards facilitating economic restructuring. Since 2009, the local governments' aims of redevelopment were more ambitious than improving local infrastructures and housing conditions: the policy has targeted the extraction of land revenue (Tao *et al.*, 2010), economic restructuring (He, 2014, Shin 2009) and physical upgrading (He, 2012). To pursue high profits and revenue and to create modern and luxurious physical images of "global cities", local governments have produced more

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<sup>4</sup> land-transferring fees (土地转让金) is a kind of revenues. It applies for local government releasing the agricultural land to industries for non-agricultural use.

property-related upscale housing and luxury skyscraper accommodation than common residential housing (Since 2000s) (Smith, 2010; Wu, 2015). In that context, the removal and redevelopment of urban villages have been significantly promoted. As a result, the old urban neighbourhoods have been expanded from urban villages to mixed-use complexes, such as skyscrapers in the city. Meanwhile, the residents in the old urban neighbourhoods have been relocated to housing estates (Wu, 2015). However, as explained below, the redevelopment processes and issues such as demolition, reallocation and exclusion of migrants have become increasingly problematic.

#### **2.4.3 Approaches and side effects in urban village regeneration<sup>5</sup>**

In the early 2000s, the primary practices surrounding urban village regeneration followed the market-oriented approach, which involved private property developers in the demolition-and-redevelopment process. This new approach was referred to as “property-led redevelopment” (Turok, 1992), a term taken up by researchers (He, 2012; Shin, 2009; Yang and Chang, 2007) who focus on Chinese urban studies.

This demolition and redevelopment approach aims to use capital from property developers, particularly private and foreign capital to fund urban regeneration projects. To launch a regeneration project, the properties (housing, attachments and land) first need to be acquired and demolished, and the spaces so created will be released to new projects following the master plan and land-use plan (Shih, 2010; 2015). This process is different from the previous farmland acquisition (Hao *et al.*, 2010), in that these new approaches of acquisition have proven to be increasingly controversial as they have led to many undesirable obstacles and practices: over-construction of real estate (Sorace and Hurst, 2016; Chen *et al.*, 2016; Yu, 2014); high risk of bank failures (Ding and Lichtenberg, 2011); conflicts between different interest groups and aggressive social injustice (Shih, 2015; Wu *et al.*, 2013). One of the drivers of these unanticipated negative consequences

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<sup>5</sup> This section is developed from a part of the author’s publication, see: Niu, P., & Wagenaar, H. (2018) The limits of authoritarian rule: policy making and deliberation in urban village regeneration in China. *Japanese Journal of Political Science*. **19**(4), 678-693.

is the complex process of property acquisition (land, houses and infrastructure) that precedes the regeneration.

As noted above, indigenous villagers own the land in the urban village, and the municipality needs to find ways to acquire the land from them at the lowest possible price. This pits the interests of the city against those of the village collective. In addition, most of the urban village regenerations were organized as a PPI arrangement with private developers doing most of the development work in exchange for a share of the profits (Sorace and Hurst, 2016; Wu, *et al.*, 2013). To obtain the necessary property rights in the areas occupied by urban villages, local governments followed one of two strategies. The first is market-based. For example, *Liede Village* in *Guangzhou* was regenerated by private capital (Liu *et al.*, 2014; Li, 2011); and *Xintiandi* in *Shanghai* was regenerated by foreign capital (He and Wu, 2005; Ren, 2008). After the redevelopment, *Liede Village* was developed into a mixed-use community comprising residential and commercial real-estate (Li *et al.*, 2014); *Xintiandi* was redeveloped into mixed-use commercial buildings (Wai 2006; He and Wu, 2005). These cases show that property-led redevelopments always rely on real-estate developers. This does not only generate considerable profits for developers and land revenue for local government, but also transform the low-quality neighbourhoods into high-quality urban communities, providing a positive physical image for the cities. This was the earliest approach and it was most prevalent in east-coast cities where the need to redevelop urban village sites was initially felt most acutely. Developers' need for a speedy development process led to inflation of the agreed-upon compensation packages. After the government endorsement, the private sector was allowed to directly negotiate with the village residents and establish land and property values according to market rates (Shih 2010; 2015). Private developers also had a certain autonomy to amend the compensation for each individual if they felt it necessary. As village residents were free to negotiate with developers, they adopted petitioning as a strategy to argue for higher compensation packages. To solve this issue, the developer needed to make deals with each individual resident (Ding 2007). To limit this local resistance and expedite redevelopment, governments encouraged developers to increase the compensation level (Lichtenberg and Ding, 2009). To compensate for the loss of rental income from their largely illegal additions, villagers were offered compensation in the form of newly-built apartments in the re-located community (Wu *et al.*, 2013; Wang

and Scott, 2008, Hin and Xin, 2011) Usually, each household was compensated by at least two to three apartments, but to defuse the petitions and protests government and developers increased the compensation ratio, in effect rewarding continued resistance. In some cases, native villagers were able to obtain ten or more apartments this way<sup>6</sup> (Li et al., 2014). This in turn resulted in negative effects like overcompensation, conflicts, injustices, overbuilding and the emergence of local housing bubbles and unequal treatment.

## **2.5 Negative consequences and changing policies<sup>7</sup>**

As stated above, the urban village regeneration programme is attractive to developers because the land holds significant potential profits. During the regeneration programme, the villagers also attempt to share these profits by arguing for higher compensation. This process for the redistribution of interests causes many conflicts. To cope with these issues, local governments used to increase the compensation levels, but this also generates many further issues. After several years, China's government decided to change the urbanization policy from land-based development into what the authorities called 'human-oriented development' (Chen *et al.*, 2016; Taylor, 2015; Wang *et al.*, 2015). The key idea is to integrate more rural and urban villagers into the cities instead of simply seeking physical development and urban modernization (Taylor 2015; Chan, 2014).

### **2.5.1 Negative Consequences**

Initially the urban village regeneration programme adopted the market approach, with excessive compensation levels being the subject of research and media reports (Shi *et al.*, 2018; Ren 2018; Qian, 2015). Consequently, urban villagers' negotiating skills have increased as have their expectations of significant compensation (Ren, 2018). This process had become the most significant obstacle for local government. As stated above, the market-based approach was supported by the expectation that the superior location of the villages and the high potential market value of the developed property would

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<sup>6</sup> See LH Li, J Lin, X Li, F Wu (2014) evidence in Liede village, Guangzhou

<sup>7</sup> This section is developed from a part of the author's publication, see: Niu, P., & Wagenaar, H. (2018)

The limits of authoritarian rule: policy making and deliberation in urban village regeneration in China. *Japanese Journal of Political Science*. **19**(4), 678-693.

generate considerable profit (Chung, 2009; Lin and De Meulder, 2012; Hin and Xin, 2011). This approach is controversial because it is still based on the land-centred development strategy (Zhang, 2005). The land-centred development strategy and urbanization policies created certain social and economic benefits in many cases: however, this policy proved unsustainable as these financial projections were largely met only in the large east-coast cities. The profits of urban village regeneration were much lower in smaller central and western cities (Hsing, 2010). For this reason, developers and construction consortia began to shy away from accepting full responsibility for the regeneration process (Li, 2015; Lin *et al.*, 2015). Instead, the state stepped in alongside local government and took charge of the process of land acquisition, demolition and reallocation, with the aim of limiting the negative consequences of land-centred urbanization and to pursue financially sustainable urban development (Lin *et al.*, 2015; Wu *et al.*, 2018). However, the negative side-effects of the market-driven strategy had become an obstacle in the implementation of the government-led strategy. The villagers' negotiating skills had raised their expectation of compensation to levels far beyond the government's capacity. To make the strategy financially viable and to create optimal space for revenue-generating and job-creating commercial developments, the government more or less shut down the possibility for village residents to negotiate the size of the compensation package. Compensation for native villagers took the form of the allocation of apartments in government-constructed, high-density, high-rise developments (Lu *et al.*, 2015). In practice, the following three negative effects were most significant.

Firstly, the regeneration generates large conflicts between different interest groups. Guided by the land-centred urbanization policy, the redevelopment process involves capturing the economic value of central areas by transforming them into commercial centres, relocating local people, shifting the peri-urban estates into superblocks, high-priced housing and business areas. One of the consequences is the emergence of often bitter and persistent conflicts over land acquisition and property demolition, particularly in terms of the interest redistribution issue. As stated above, by targeting the search for high-speed and low-cost development through land acquisition and land trading, local government and developers always limited the compensation given during the demolition. However, taking advantage of local governments' desperation for land acquisition, the landlords in urban villages saw the fortune to be made from real-estate

market growth and argued for higher compensation (Hsing, 2010). According to the *2013 Annual Summary of China's Violent Demolition and Land Expropriation and Violence Index*, in 2012, the Central Commission for Discipline Inspection investigated and disposed 427 cases of violent demolition and in 2013, 16 people died because of violent demolitions (Liu and Xu, 2018). These violent demolitions and forced evictions caused significant socio-political tension and controversy over the legitimacy of both the central and local governments in China (He, 2014; Liu and Xu, 2018). Although the land-development and urbanization created large economic growth within the last two decades, these conflicts still damaged the public image of the Chinese government.

Secondly, urban village redevelopments are widely criticized as being unjust and exclusionary. The Chinese government has adopted a market-oriented governance model to deal with the redevelopment, which is beneficial to the government and the developer. Native villagers will also benefit as the property rights are legally protected. In addition, to encourage the native villagers to accept redevelopment proposals, as well as to limit the conflict generated by the demolition, informal developments within the urban village were always compensated as well. Peter Ho (2003) has examined institutional change in property rights systems across land types, concluding that the “central state’s choice to allow local, informal institutions a certain space for existence rather than formalizing them through national laws is the fundamental explanation of such institutions’ credibility and successful functioning” (Ho, 2003: 18). Under that arrangement, native villagers are usually handsomely compensated (He, 2014). However, existing research (He, 2005; Ho, 2003) shows that migrants who are dependent on urban villages as sites of informal settlement do not benefit from the redevelopment. They are considered outsiders in the process of urban village regeneration (Ho, 2003) and they cannot find a legal channel to articulate and present their interests and demands during the regeneration process (He, 2005; Chung, 2013). Furthermore, neither governments nor developers care about rehousing migrants. This puts migrants in a very disadvantageous position, as they are also excluded from the social housing system in the city because of the *hukou* housing distribution system (Liu and He, 2010). Existing research (Ho, 2005; 2003; He, 2005; Chung, 2013; Liu and He, 2010) has pointed out the issues of unjust development in urban village regeneration and criticized the social exclusion caused by these institutional arrangements. Although this thesis focuses on processes of

deliberation for those included within these arrangements, it recognises the exclusion of migrants as an important focus for future research.

Thirdly, the rapid urban expansion under the land-centred urbanization system seems to waste land resources. As a direct consequence, 'ghost cities' have emerged in many cities in China. 'Ghost cities' refers to vast areas of empty apartment buildings and magnificent squares (Chen *et al.*, 2015). For example, a new, urban redevelopment project was settled in the Kangbashi district in the Ordos (Chinese city's name), which is a wealthy and medium-sized coal-mining city in Northern China. Previously, this area was an urban village located far from the city centre. After redevelopment, it was filled with new neighbourhoods, government buildings, office towers and sports fields. Originally, this district was designed as a new town for a million inhabitants, yet hardly anyone lives there (Dunford and Liu, 2017). The underlying processes are complex. First, the excess housing stock is the effect of the urban, built-up land area increasing faster than the urban population. This trend has significantly increased since 2000, because when the WTO subjected the opening of China's property market to WTO rules, abundant FDI came into Chinese cities and boosted the real estate industries (Ding *et al.*, 2011). The second cause is a mismatch between supply and demand, with the market-driven construction process producing upscale housing where low-income housing is needed. As Chen *et al.* (2015:17) comment: "this corporatized urbanization mode was rooted in a one-sided evaluation of local government performance based on GDP, which in turn resulted in aggressive development and further induced social injustice and the financial risks of real estate bubbles".

## **2.6 From a 'Land-Centred' to a 'Human-Oriented' Urbanization Policy**

To cope with the challenges generated by land-centred urbanization', the Chinese central government issued a new policy approach to urban development: the 'National New-type Urbanization Plan (2014–2020)' in March 2014 (Taylor, 2015; Chan, 2014). In this plan, the central committee of the Communist Party of China (CPC) and the State Council jointly released a new strategy for urban development. The most significant change put forward in this plan is the transfer from a land-centred urbanization to a people-oriented urbanization. As Long comments: "This was the first official plan to regard new-type urbanization as a national policy and it pointed out the problems that had emerged in the



previous accelerated urbanization mode; this plan is expected to explore a new path toward sustainable urbanization. The most notable aspect in it is the transition from land-centred urbanization to people-oriented urbanization” (2014: 112).

According to Taylor (2015), in the ‘New-type Urbanisation Plan 2014-2020’, the primary objective of urban village regeneration can be summarized as follows:

- Unblock the internal dual-track system of the city, in terms of social form, property ownership and citizenship, such as redeveloped the slum like areas into modern residential communities; integrated ownership of rural collective-owned land (urban villages) into the state-owned land; and transfer the rural/urban based *hukou* into the unified household registration based on residential address.
- Promote the New-type urbanisation strategy to facilitate the integration of 100 million migrant workers into the city (2015:108).

For the first time, in contrast to previous approaches to urban village regeneration, the official policy is designed with the goal of integrating migrant workers into the social and economic fabric of the city. However, such research as exists on the human-oriented approach to urban village regeneration reviews the redevelopment process from a property-based perspective, which is anchored in the traditional notion of ‘land-centred development’ (He *et al.*, 2016). Frequently researched topics regarding urban village regeneration include: the legitimacy of integrating collective-owned land into urban systems (Hin & Xin, 2011, Liu, *et al.*, 2014); compensation for informal buildings (Liang, 2013,); and conflict-management during demolition (Chung, 2013; He, 2005).

The new policy of new-type urbanization significantly promotes a “human-oriented” approach through political reform. Public participation in planning has been enhanced, aiming at respecting the willingness of local residents as well as limiting the conflict between stakeholders. Institutional space for public participation was first recognized in the Planning Act of 1990 and the subsequent City and Countryside Planning Act (implemented in 2008). Under that institutional arrangement, the use of land for development should be negotiated between the potential user and the current possessor of the land (Hsing, 2010; Wu, 2015). This has created opportunities for the public, especially for local residents, allowing them to participate in the planning process. Under

the National New-type Urbanization Plan (2014–2020) the city planning system has begun to adopt a public participation approach to urban village regeneration. At the planning level, the urban planning system has begun to open up (Wu, 2015). The planning process has been updated with new approaches, such as communicative planning and collaborative planning in some cases (Li, 2015). Therefore, in urban village regeneration practices, public participation in the Chinese planning system has become an officially recognized strategy of the Chinese government.

## 2.7 Conclusion

In the implementation of this new policy, the role of rural village regimes has become increasingly important; in particular, rural village regimes can build a platform for communication and deliberation between government and villagers. This is because the government has realized the significance of communication and deliberation in terms of overcoming conflicts caused by land expropriation. As introduced in this chapter, in some cases of violent demolition, because of the absence of an independent juridical system, it is difficult for villagers to find an effective channel for legal complaint (Liu & de Jong, 2017) as a result, they have to resort to protest. In many cases, however, villagers would not passively accept government-mandated compensation proposals; instead, they protested and bargained strategically to maximize their compensation (Liu, 2016). Sometimes they claim unreasonable prices (ibid). In the past, for example, the government tended to pay the “nail houses”<sup>8</sup> more money to relieve their resistances; however, this method upset “honest people” who had accepted the initial compensation (Liu and Xu, 2018). It is here that deliberation already plays roles in the urban village redevelopment process; and it might be an ideal answer for these issues. Based on the practices of democratic deliberation at the local level, the Chinese central government has explicitly endorsed the importance and validity of employing democratic deliberation in the community governance system. The overt goal is to promote a harmonious, stable and ‘controllable’ society by building up harmonious, stable and ‘controllable’ communities. The next chapter introduces China’s governance system and planning systems, and illustrates how the village committee plays roles in both the urban

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<sup>8</sup> Nail House (Dingzihu): homeowners who resisted the force evictions and try to obtain some advantage by getting broad attentions (Hans 2017: 139–153)

governance system and the planning system. This could provide a general context for understanding the role of deliberation in China's authoritarian system.

## **Chapter Three: China's Political System and Local Governance**

### **3.1 Introduction**

The preceding chapter described China's urban village regeneration and its issues. It attempted to capture the scale and scope of changes caused by China's urbanization and the urban expansion. Before the discussion of deliberation and policymaking in local China, it is important to understand the role of local government in the context of China's political system. This chapter will introduce the complexity and diversity of China's local governance system from an inside-out perspective in order to help people understand how social, political and economic change varies between different provinces, cities, districts and villages. State policy is unidirectional, top-down, and omnipresent; however, local government implements these policies with discretionary power. Particularly, the lower-level local government, composed of district/county and street/township governments, have strong – not simply “selective” – autonomy to implement the policies but also to cooperate with their immediate supervising government to evade the monitoring from higher-level government. On the other hand, these autonomies allow the local government to implement a variety of democratic elements at the local level, which is known as “phantom democracy” (Keane, 2017).

The central theme that runs through this chapter is the existence of two major tensions: that between centralized control on the one hand, and the necessity to grant autonomy and discretion to lower levels of government on the other hand. The latter is necessary to ensure effective policy implementation that takes the local context into account. The second tension is that between Party control and market competition. One of the ways that the latter tension manifests itself is through internal competition between local governments for economic development. I mention these tensions here, and refer to them throughout the chapter.

### **3.2 The Political System in China**

#### **3.2.1 An overview of the political system in China: A Party-State**

The aim of this section is to introduce China's political and administrative system, in particular, with an explanation of the relationship between the state government and the

Chinese Communist Party. Practically, the State and Chinese Communist Party are closely intertwined in every state entity (from national level to township level); moreover, their primary functions are combined together not only in each council, but also in each governmental branch and agency. Keane observes “the way China’s rapid economic growth has been guided by a strong state ruled by the Chinese Communist Party (CCP) that promotes and controls a high degree of empowerment of officials at the provincial, municipal, county and village levels” (Keane, 2017: 91). Therefore, Weatherley (2007) adopted the term “party-state” to describe the complexity of the political-administrative system. Tsang (2009: 886) describes China’s Party-state using five defining characteristics:

*“1) the Communist Party is obsessively focused on staying in power, for which maintaining stability in the country and pre-emptively eliminating threats to its political supremacy are deemed essential; 2) a focus on governance reform both within the Party and in the state apparatus in order to pre-empt public demands for democratization; 3) a commitment to enhance the Party’s capacity to elicit, respond to and direct changing public opinion; 4) a commitment to sustain rapid growth and economic development by whatever means and, where the party leadership deems politically expedient, regardless of its previous ideological commitment to Communism; and 5) the promotion of a brand of nationalism that integrates a sense of national pride in a tightly guided narrative of China’s history and its civilization with the greatness of the People’s Republic under the leadership of the Party”.*

These characteristics are helpful for western readers to understand the rationale of the institutional arrangements for China’s policy-making and implementation system, as well as the logic behind the actions of local governments. These will be discussed later in this chapter.

### **3.2.2. The Party-State: A modern hierarchical governance system**

China is described by the international press as an authoritarian country ruled by the CCP that lacks liberty, democracy and rule of law. However, in contemporary China, many democratic practices have been identified by western scholars, that contradict the traditional image of an authoritarian system. These scholars began to describe China as a

system of 'fragmented authoritarianism' (Landry, 2008), or 'soft authoritarianism' (Roy, 1994). Some observers go further, by emphasising how the cracks and crevices within the political system enable local resisters to press home their demands, to take advantage of the ill-coordinated but remarkably flexible governance structures within what they call 'contentious authoritarianism' (Chen, 2012), or a system of 'fragmented authoritarianism 2.0' (Mertha, 2009) with uniquely Chinese characteristics. Before the discussion of 'authoritarianism' or 'democratization of China' (in Chapter 4), this section will propose that the Chinese Party-state contains 'top-down' hierarchical characteristics to some extent: all levels of state entities are formalised in the same institutional arrangement and 'vertically' controlled by their superiors (Kooiman, 2003). However, China is experiencing modernization by moving from a command to a regulated economic model, and the governance system is becoming multi-level and fragmented.

### **3.2.2.1 Basic Structures**

The foundation of the Party-State provides the central committee with the centralized power to facilitate its vertical control of each level of government. In the early 1950s, the newly founded Chinese Communist government imported the primary political structure as well as the centrally-planned economic system from the Soviet Union; this political structure became the framework of the Party-state (Harding 2010; 1994). As Figure 3-1 shows, the structure of Chinese Communist Party mirrors the state government with hierarchical congresses from the national (central committee) level down to the township level. This general structure of Party-state comprises five levels congresses and councils, descending from the national down to the township, namely: national level, provincial level, prefectural level, county/district level, and township/street level. Within this system, each level of the state congresses serves as the decision-making body. This is because the state congress is the legal-rational system of procedures for officials' appointment and decapitation as well as reaching decisions (Weatherley, 2007). This hierarchical, intertwined, governance system ensures the Party leader's capacity for vertical steering through "goal-setting" and ensures control through this top-down command structure. The Party shares the same congress structure with the state to facilitate its vertical control of the governments at each level. Based on this arrangement, the higher-level government can directly intervene in lower-level government issues through the vertical command structure.

Following the institutional arrangements at national level, the other lower-level Party committees and governments are operated similarly. Therefore, the following description of basic political institutions will take the central Party committee, the national peoples' congress and the state council as examples, to introduce their functions. The National Party Congress heads the CCP, at national level, the Congress consists of around 2,000 members who are indirectly, noncompetitively elected. It consists a series of forums for debate and making decision on the important Party matters. The government acts in a similar way with the Party, the National People's Congress heads China's State Council and the election system features direct and indirect nominations. The Central Committee is the highest decision making body who consists a group of senior members, it carries out the function of the Party congresses. The Central Committee is headed and led by the Standing Committee of the Politburo which consists of the 7-9 most powerful men in the Party. The representatives at the county level up to the national level are indirectly elected by the representatives from the level below following the Election Law (since 1953); however, at the township level congresses, the representatives are directly elected by their residents. Literally, unlike the National Party Congress, the National People's Congress (NPC) has 2,000 delegates, and exercises control over the supreme legislative power. It is constitutionally defined as the entity to amend the state constitution, devise laws, ratify international treaties and appoint or nominate senior officials to the State Council. The State Council is led by the president and vice-presidents, consists of the State Government, the Military Commission, the Supreme Court and the Supreme People's Procuratorate<sup>9</sup>. The executive power is in charged by the national government, and has ultimate governmental authority. The head of the state government is the premier of the state, who is appointed by the president. The vice-premiers, ministers and vice-ministers are nominated by the prime minister.

This system, as we can observe, offers centralized power to the central level government, in particular, the Central Committee of the Chinese Communist Party. Centralized power not only influences the interaction between the levels of the state, but also influences the relationship between the state and society. Practically, government influences the

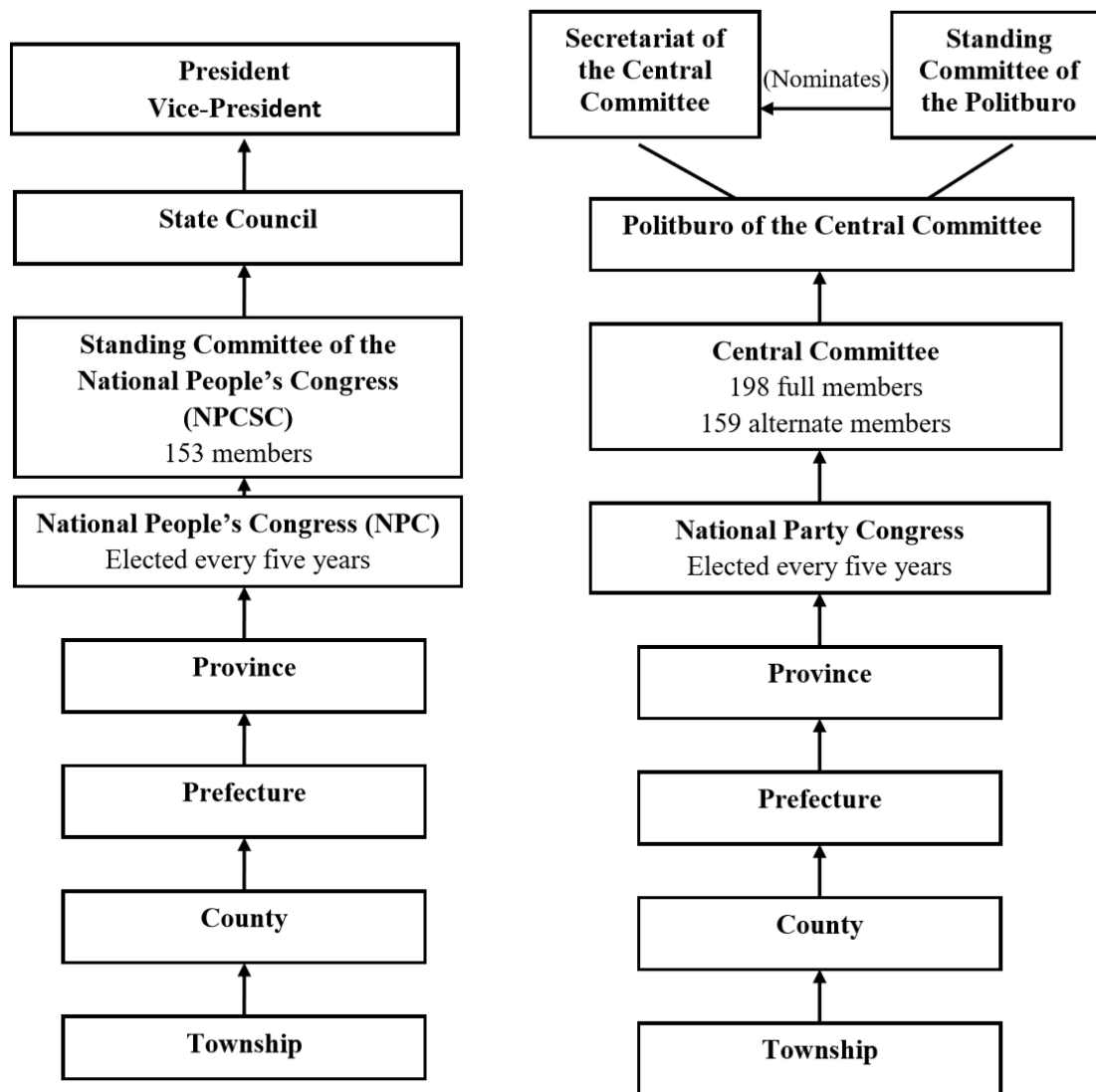
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<sup>9</sup> In March 2018, China established the State Supervisory Committee, which is the highest institution to supervise any level of government. A Supervisory Committee will also be found in any level of government

behaviour of other actors participating in these interactions, even involuntarily, and often with sanctions attached. Such interventions are common in all spheres of social life, as well as in the hierarchical structure of government interactions. In greater detail, the role of the Party is focusing on “steering” the “direction” of governance, and the “steering” is a crucial way for the Party to intervene in society and the state. According to Kooiman (2003), direction is the key element of steering; the role of the Party is to provide a general idea of where it wants to go. Therefore, as we can see many examples in this thesis, China’s governance activities are goal-oriented, including goal-seeking and goal-setting. Apart from “steering”, top-down control is still an important instrument by which the Party can control complex activities, noticeably, other instruments like public deliberations providing checks and balances. As will be introduced in the next part, in Mao’s era, the Communist Party focused on staying in power; this hierarchical system was becoming bureaucratic and authoritarian, even totalitarian, like the Soviet Union. The impacts of this era are still apparent in contemporary China.



Figure 3.1: Chinese state structure and Party structure



Source: Schram, 1987

### 3.2.2.2 Orientation of the hierarchical governance

The Chinese Party-State's hierarchical governance was built in the Mao era, and its impact still remains. The most significant characteristic is the Party's commitment to ideological propaganda. It believes that it is the most effective away to steer and control the political system and Chinese society. Since the Mao era, the Party adopted "Marxism-Leninism" as the political doctrine to provide a set of guidelines for China's social and economic development; meanwhile, it also provides a set of moral standards for the behaviour of Party members, government officials and the public. The "Marxism-Leninism" ideology was adopted to explain the legitimacy of the CCP's rule and the sovereignty of Mao, and this allowed him to steer Chinese society. This is because "Marxism Leninism" can be used

to explain the necessity and legitimacy of “goal-setting”, whilst also providing the moral standards to judge its opponents. As can be observed, many contemporary Chinese political movements are goal-oriented with uni-directional and top-down direction, such as “building a harmonious society” and “new-type urbanization”. Meanwhile, the Party created an extensive propaganda network to enhance its ideological control over Chinese society in the early 1950s. This is because the Party under Mao acquired even greater powers over mass organization, working units, and the state bureaucracy than it had gained under the Leninist model. It adopted the impersonal mass media to disseminate its discourse; meanwhile, it mobilized small discussion groups to provide a way of conveying official policy and doctrine to the mass of Chinese. Consequently, the Party secretariat and its functional departments replaced the State Council and the government bureaucracies as the supervisors who can clarify the policy options and translate policy decisions into administrative guidelines through their interpretation of the Party’s discourses. In this way, the Party increasingly expanded its power and administrative responsibilities from the Party’s issues into routine governance, and additionally, the Party secretaries at all levels supplanted government leaders and state-owned enterprise managers as the authorities for day-to-day decision-making.

In addition, in Mao’s era, the Party created the mass organization network that penetrated all sectors of society. As the result, nearly every Chinese man, woman, and child was ruled by mass organizations such as villagers’ agricultural groups, trade unions, student organizations, professional associations, the militia, the women’s associations, or a combination of these. Until now, some of the mass organizations still play essential roles in China’s political system like villagers’ agricultural groups. Zhou states:

*From the head of the state down to the typist in a town government office, as long as one is a formal employee subject to the administration of the government system (both central and local governments), one is covered and regulated in this system. And this is only the beginning. As long as one is a cadre or a professional in a work organization owned by the government – no matter what one does or what occupation one belongs to (e.g. a university professor, a journalist, a writer, an engineer or a librarian), or which sector one works in (e.g., manufacturing, service, education, or residential administration) – one is covered under this system.*

(Zhou, 2007: 156)

The Party installed semi-committees into every mass organization and grassroots-level government bureaucracy and branch to ensure its vertical control. Therefore, based on these mass organizations and the government bureaucracy and branch, the Party built a network to control every single cell of Chinese society. Through this network, the Party could monitor the loyalty and performance of grassroots organizations as well as dispatch its own members to occupy their key leadership positions (Jeffreys, 2009; Harding, 2010).

As the case studies will show, until now, most of the secretaries of the village party branch were born in the Mao-era, and Maoism deeply impacts their working style, for example, they emphasise the authority of the leadership, the importance of ideological control, and of mass-line slogans. The political logic of state socialism stipulates that the effective implementation of state policies can be ensured by rewarding political loyalty. The bureaucracy, to some extent, is a kind of organizational or institutional instrument of the state and results in the most obvious features of bureaucratic career patterns. According to Burns (1987), the admissions and promotions of this system are only limited by political criteria and political processes of selection. The privileges and statutes of bureaucratic positions can be applied by the state as incentives to obtain political loyalty and people's compliance (Zhou, 2016). Therefore, the most significant standard for promotion and recruitment in the Chinese bureaucracy is to adhere to the Party line and political loyalty, but it often sacrifices competence and efficiency (ibid). Besides, another method as a gate-keeping device for political selection is the political screening, such as the recruitment of Party members (Harding, 1981; Lee, 1991).

To sum up, Mao's rule left many effects on China's political-administrative system. One of the most significant characteristics is that the secretary of the Party-branch is nominally the highest decision-maker. When local authorities make decisions, no matter how technical or trivial, they were supposed to be made by explicit reference to the Party's discourses and the speeches from Party leaders. However, this totalitarian political control generates significant social and economic problems, and China's internal political and economic problems were getting worse until Mao's death in 1976 (Harding, 1987). China's rate of economic growth declined to emergency conditions; meanwhile, the gap and technological disparity between China and the outside world was significantly

widening. Those problems forced the CCP to reform the political system. However, as will be explained in later Chapters, until now, the totalitarian elements of Maoism still exist in Chinese society, for example, in urban village regeneration, the local government and the village committee mobilized small discussion groups to provide a way of conveying official policy and doctrine to the mass of Chinese.

### **3.2.3 Modern hierarchical system: power decentralization**

Since 1978, the Party has relaxed its control over Chinese society and the central government has allowed local governments to have some autonomy to promote economic development. In addition, the Party focus is now more on economic development than political control. China's governance system has begun a transformation from command to regulation. Since the 1978 economic reforms, the CCP has relaxed social control. This is because the economic marketization significantly challenged the economies based on a centrally-planned economic system. In addition, the economic reform required China to link its economic system to the international economy. This also required the CCP to empower professionals in decision-making, in particular, the technical decisions; meanwhile, this also required the CCP to change the focus from political control to social and economic development. One of the most significant changes in the 1978 reform was that the Party emphasized "seeking truth from facts" and empowered professionalism in public administration. This reform relaxed the political control of the public and raised urban and rural living standards. From this point, the Party reduced its involvement in detailed administrative matters, assigning those responsibilities to government bureaus, economic enterprises and the Party's State Council. Instead, the state government system (from national level to street level) became a powerful entity to take charge of routine governance and socio-economic development. Furthermore, since the 1978 reforms, the central government has given great autonomy to the lower level governments thus making the Chinese governance system multi-layered and fragmented.

Meanwhile, the role of the CCP has been extended to take more actions on social and economic development. As observed above, although the state and the Party are officially separated, the institutions of Party and state in China always act as a single entity (Goodman, 2000). In practice, when local go v undertake an action, because the senior

Party's personnel dominate the staffing of the state-council, therefore, the Party can significantly shape the decision-making process at state-council (ibid, 2000). This is because China remains politically centralized so that the superiors highly centralizes the power of personnel control, while economic performance and social stability have replaced political conformity as the primary criteria for evaluating government officials (He, 2016; Li and Zhou, 2005). Since 2000, the higher levels of the Party authorities reward and punish lower officials according to their economic performance; this became an important way for higher level government to motivate lower officials to develop local economies (Blanchard and Shleifer, 2001). This political incentive mechanism contributes to the competition among local officials, as well as competition between each local state. To win the competition, the local officials try to extend their role as an entrepreneur. For example, real estate, land-marketing and other urban developments were carried out at both the political and ideological levels. High-profile development projects and real estate values are regarded as indicators of urban modernization and were adopted by the higher-level government to measure the political achievements of the local leaders (Hsing, 2010). In this sense, the hierarchical governance of Party-State in China is different to that of a liberal democratic country because the power of the Party and the State are lacking in 'accountability'. However, as I will explain below, Chinese governance is developing from hierarchical governance to that of a modern state. It is developing from command to regulation, from procuring to enabling, from benevolence to activation.

### **3.3 Transformation from command to regulation:**

As suggested above, Chinese governance is transforming from command to regulation, which makes the citizens able to predict the impact of the state's actions upon themselves and secure redress when affected by illegal action (Hill and Hupe, 2014). Therefore, it is important to discuss the rule of law before the discussion of the policy-making and implementation system in China. As will be explained in the following sections, the regulation system and rule of law allow the local government to use their discretionary powers during the implementation. However, the lack of an independent "rule of law" also resulted in pragmatic results in policy-implementation, among other things through collusive actions. The transformation from command to regulation shows a considerable

change in aims and tools; however, the state remains the central governing entity. According to Kooiman (2013: 120):

*In the regulatory state, the emphasis is less on direct, rigid and restrictive rules and interventions, than on administrative decentralisation and regionalisation [...] The regulatory state can be characterised by its main function, of correcting market failures, using rule-making as its main instrument. The main area of political conflict is the review and control of this rule-making; characteristic institutions are parliamentary committees, independent agencies and commissions and tribunals; key actors are single-issue movements, regulators, experts and judges; the policy style is rule-bound and legalistic and the political culture can be described as pluralist and political accountability is indirect.*

(Kooiman, 2013: 120)

### **3.3.1 The Law-making System**

Thus, one of the most important reforms is the empowerment of the National People's Congress to regain the law-making system. As will be explained later, the general policies in China can be categorized into 4 types in general: the constitution, laws, local rules and administrative regulations. Within these types, the constitution and laws are made by the NPC, and the NPC also has the duty of supervising government. Instead of stimulating social and economic development, the Law emphasizes the protection of people's interests, which is the bottom line for a government making and implementing policies. The 'legislation law' emphasizes the equality and fairness principles, clear lines of authority and jurisdiction, as well as legislative procedure. Importantly, it emphasizes that the bases of legislation are investigation and objectivity. Secondly, the Constitution (1982) also authorizes the NPC to supervise the government. For example, every year, the prime minister of the state council should submit the "Report on the Work of the Government" to the National People's Congress. The report reviews the government's work for the previous year, including economic, social and welfare, diplomatic, and other important issues. During the Congress, the government should report its record and documents to the NPC to review, such as the final revenue and expenditure accounts. The government should also report the working proposals for next year to Congress to get approval. In addition to the Congress, the government should submit development

proposal to the standing committee of the NCP to get approval. Beyond the standing committee and NPC Congress, the member of the NPC can query government about any decision at any time. The government should reply to every query formally. In each local level, the government officials (Governor of Province, Mayor of city, Mayor of district/county, and Director of the town/street office) should also submit the “*Report on the Work of the Government*” to the People’s Congress and reply to every query.

### **3.3.2 Policy-making and implementation System**

Based on descriptive theory of Barrett and Hill (1984), Hill and Hupe (2014) argues that decisions are made by the ‘top’ (legislatures, central government and its departments), and implemented at the bottom (through the implementing entities) (Hill and Hupe, 2014). Barrett and Hill (1984) believe that a bargaining process plays a significant role in decision making in both higher- and lower-level government. This is because as a part of the bargaining process, decisions made at the highest level are constantly changing because each participant is involved in the implementation of "attempts to negotiate to maximize its own interests and priorities" (*ibid*). Ding (1994) points out that, in China, all important policies or administrative decisions are made by a few men on the CCP central committee or the State Council; however, this is not arguing that the Central-level government is the most influential actor, particularly, in some cases, Central level government does not have a strong interest in the subject (Cairney, 2011). According to Cairney (2011) “Policy from the top may represent only one of many factors (including the lower level ‘environment’ in which local demands and needs arise) relevant to the deliberations and actions of those agencies” (2011: 38). Thus, we should focus on the implementing agencies and explore how they implement policies according to their local context.

Overall, as a hierarchical Party-state structure, during policy implementation, the most important task for local government is to unify the implemented national policies within their jurisdiction in the course of policy implementation. The central government and its ministries make administrative regulations, fiats and other policies that are intended to be applicable for all localities and regions or in a whole policy domain. Within this system, policies and administrative fiats are passed on to all levels of the local governments and their agencies in a top-down manner, which covers different localities and areas within

the Party-state's jurisdiction. Local governments formulate the national policy into specifics and targets, work out plans and procedures based on the local socio-economic background, together with mobilizing organizational resources for implementing further downstream (Zhou: 2010). That is, higher level policies frame and leave autonomous, discretionary spaces for lower level policies. The majority of the policy from the central government is goal oriented; and these policies tend to be specific from the national down to the district/county level. For example, the New-Type Urbanization Policy 2020 clearly settled a goal of integrating 100 million rural migrants into the cities which will be dispatched as a mission to each province according to their social and economic context. Accordingly, the provincial government will dispatch their mission to each municipal government, and finally, the municipal governments will allocate the mission to each district and county. To carry out these upper level missions, the policy-making at district level is to specify these missions into a single case or a programme. This is because a municipal level government always administrates a large geographical jurisdiction including several administrative districts and counties. These districts and counties have different levels of geographical, social and economic conditions. Therefore, the policies relevant to urban village regeneration should be specific and formulated according to particular conditions. For example, the compensation standards, the municipal level government will set up a principle that 'over-compensation should be limited' and 'strictly limit the accommodation compensation form'. In practice, the district-level policies specify these principles down to a specific ratio or figure according to the relevant policies at municipal level.

### **3.3.3 General Policies Order**

As explained above, executive power is framed by the constitution, laws and local rules; and operated according to administrative regulations and other policy instruments. The general policies (See Table 3.1) in PRC state legislation could be categorized into hierarchical types from high to low: the constitution, laws, administrative regulations (national level) and local regulations and rules (provincial, municipal and district level). Rules can be categorized into two sub-types: departmental rules and local regulatory documents. The regulation system and the rule system form the policy framework implemented for the relatively permanent forms. As a framework, these policies enable ministries to allow significant autonomy to townships and street offices. It allows the



local government and its leaders to make and implement the relatively temporary policies such as programme-based policies, executive orders and actions in accord with the political spirit of the leader's speech. Practically, these forms of policy are mainly made by local government, and the progress of policy-making is relatively simple. That is, these temporary policies always focus on a particular issue or programme and are made by a small group of decision makers within a short time. For example, most of the compensation policy in urban village regeneration only applies to a particular programme. Therefore, the local government relies on these policies to enhance the effectiveness of governance. However, the legitimate status of these policies is relatively irregular because there is lack of specific legislation to prescribe their effectiveness and existence as well as the policy-making processes (Jin, 2003). That is, sometimes, there might be two temporary policies from different departments to address one issue making it difficult for the lower level government to figure out which one has priority.

Table 3.1: Hierarchy of Policy and Regulation

<b>Level</b>	<b>Priority</b>	<b>Category</b>	<b>Policy and regulation makers</b>
<b>National level</b>	1	The Constitution	National People's Congress
<b>National level</b> <b>Provincial level</b>	2	Laws	National People's Congress State Council
	3	National Administrative Regulation	
	4	Ministries' Administrative Rules	Ministries of State Council
	5	Local Regulatory Laws	Provincial People's Congress
<b>Provincial level</b> <b>Municipal level</b>	6	Local Administrative Regulations	Provincial Government
	7	Regulatory Documents	Provincial Government
	8	Local Departmental Administrative Rules	Department of Provincial Government
	9	Local Regulatory Laws	Municipal People's Congress
<b>Municipal level</b> <b>District or County level</b>	10	Local Administrative Regulations	Municipal Government
	11	Regulatory Documents	Municipal Government Department of Municipal Government
	12	Local Departmental Administrative Documents	
	13	Executive Orders; political spirit of leader's speech	Government and individual leaders
	14	Local Administrative Regulations; Regulatory Documents	District or County-level Government
<b>District or County level</b>	15	Executive Orders	District or County-level Government

In addition, as Table 3.1 shows, the lowest decision maker is the district or county government. As will be introduced later, the township level government and street office emphasise executive routine and policy implementation at the grassroots level.

### **3.3.4 Administrative Discretion**

In terms of the policy-making and implementation process, there is an interesting debate about administrative discretion under the “rule of law”. The questions here is the how precisely the conduct of government officials should and/or could be regulated by the law (Hill and Hupe, 2002: 25); meanwhile, on the other hand, regarding the extent to which officials require employing their discretion for interpreting and, in some cases, modify the effect of the law. Dworkin (1977) differentiates the *strong discretion*, in which the decision maker formulates the standards; meanwhile, the *weak discretion*, in which standards established by the (or one of the) superior authorities require interpretation (Zhou, 2010). Similarly, Galligan (1986) has concerns with analysing discretion accordingly, and he points out that decision makers are required to adopt the standards to the interpretation of facts (Zhou, 2010).

Zhou (2010) argues that some existing research (Van der Veen, 1990; Ringeling, 1978) differentiates between the existing sources of what they call ‘policy discretion’, for instance, “the character of the rules and regulations involved; the structure (labour division) of the implementing organization; the way in which democratic control is exercised and work circumstances in a narrow sense, particularly interaction with clients” (Zhou, 2010: 26). In addition, ‘policy styles’ are linked to the policy programmes or regulations, which are required to be implemented (Van der Torre, 1999:19).

This theory elaborates the understanding that the street level public servants working have a certain autonomy; however, a specific form of ‘logic of implementation’ could be identified on street level. The street-level bureaucrat considers itself as the decision maker, with their decisions are according to the normative choices, instead of being the functionaries that respond to the policies, rules, regulations or procedures (Maynard-Moody and Musheno, 2000). The discussion of discretion coupled with the issues around professions, these issues are rooted in a legal concern of the controlling the processes of the implementation. Zhou (2010) points out that as the remedy, discretionary activities

require careful hedging within a framework of regulations and rules; as well as that there is required to be a scope for the adjudicative procedures, enabling the discretion could be challenged in the courts or the tribunals.

### **3.4 Local governance in China**

The introduction above describes the governance system of the Chinese state as a whole; however, it is not easy to understand China's local government according to a "big picture" of the national government structure. In practice, the local governments are the autonomous authorities which actively contributing economic development under their jurisdictions (Zhou, 2007; Oi, 1999; Walder, 1995). This phenomenon was introduced with a concept of "fragmented authority" by researchers (Zhou, 2007; Shue, 1998) to describe the active roles of Chinese local governments in the interactions between themselves and the state bureaucracy. On this view, the Chinese political system is not simply a top-down monolith but also has a multi-layered pyramid of bureaucratic units jostling for influence over resources and policies.

As the lower levels of the bureaucracy in China, local government directly links the society and the state; as well as occupies a strategic position in Chinese society (Zhou, 2007). Therefore, this section will specify policy implementation around the urban village regeneration and local governance programmes at the local level. As with the economic opening-up policy, the decentralization of power from the central government down to the local governments has changed relations between central and local, as well as changed the behaviour of local governments (Huang et al., 2015; He and Zhu, 2007). Local-level government has become increasingly crucial to urban governance and growth, and this is now firmly rooted in China's institutional framework. On the one hand, fiscal decentralization enabled local governments to develop land and regenerate the urban village; meanwhile, political decentralization provided them with autonomy in policy-making. On the other hand, the centralized power and top-down hierarchical system require uniformity in policy-making and flexibility in policy implementation (Zhou, 2007); this in turn requires formal and informal cooperation among local governments and their agencies. Before introducing the cooperation among local governments to assert their discretion in implementing commands and instructions from higher-level authorities, it

is important to introduce the two grassroots-level governance systems: (1) the street-office and urban community and (2) the township government and village.

### **3.4.1 Urban grassroots-level governance system**

After the economic reforms in 1978, the CCP developed a new grassroot level administration system at to supplement the urban governance system and finally replace work units to deliver public services to urban residents. The street office and community plays a central role in this grassroots-level governance.

#### ***3.4.1.1 The street office: the lowest level of urban government***

After Mao died in 1976, China began the social and economic reforms in 1978 that resulted in a fundamental change in the grassroots-level administration. According to Elaine Jeffreys and Gray Sigley (2009): “since the Chinese Communist Party (CCP) embarked on a program of ‘reform and openness’ in the late 1970s, Chinese society has undergone a series of dramatic transformations in almost all realms of social, cultural, economic and political life.” After this reform, the economies became marketized, meanwhile, the private sectors and enterprises occupied the public realm to do their business. Consequently, the private sectors occupied the market in a short time and the majority of local state-owned enterprises went bankrupt. Thus, massive number of employees were laid off and beyond the control of their former working units. Within this context, a political movement of ‘community construction’ (in Chinese: *she-qu-jian-she*) has taken place since the 1980s as the government’s political solution in terms of rebuilding a new urban grassroots administration system. Currently, this system has two tiers: the Street Office and the Residents’ Committee. This section will introduce the newest relationship between local governments and citizens, with the target of developing state control over society.

In law, the “Street Office” is the lowest level of government-delegated organization (*pai-chu jigou* in Chinese, means: executive branch of municipal and district government without policy-making rights). The Urban Street Office Organization Regulation describe the functions of the street office are to: supervise the residents’ committees with their routine affairs; assist district and municipal governments to implement policies; and reflect the opinions from public to superior government. After the reform in 2000, the

power and functions were extended in order to carry out more assignments and political programmes from higher level governments. Apart from neighbourhood level service and executive roles, the street office also has responsibilities of strengthening power at the primary level, maintaining social stability, expanding grassroots democracy and promoting the development of self-governing organizations, solving social conflicts, developing a community economy, conducting local events, attracting investment, organizing events for local Party branches, and so on<sup>10</sup>. That is, instead of the 'lowest level of government delegated organization', practically, the street office has comprehensive government function as the lowest level urban government. As will be explained later, this trend leads to an ambivalent identity for the Residents Committee; while it is partly a 'self-governance' organization in the western sense, the 'community' also involves government control through the empowering of the street office.

#### ***3.4.1.2 Community as a Power Agency of Local State***

The community (*she-qu*) is the basic unit of the urban grassroots administration system. In the 1980s, a new urban grassroot level administration system in China began to act as a branch of the local state to deliver social welfare and public services to the residents lived in urban community (Zhang, 2009; Wang, 2009). According to Hua (1999), the National Ministry of Civil Affairs defines the community as a territory and a collective-managed organization which takes charge of public affairs under the immediate supervision of the street office. After the urban grassroots administration reform in 2000, the meanings of "community" was further developed as "a social collective organized by the public residing inside a bounded and defined urban district<sup>11</sup>"; in the meantime, the geographical jurisdiction of a community was further stipulated as "the jurisdiction in charged by the enlarged Residents' Committee" (Bray, 2006). Thus, from this point of view, the community has administrative roles and a demarcated space, that is, the community is a concrete entity of neighbourhood-level administration in urban areas. However, the identity of the community is ambivalent. This is because the 'Residents Committee' is a self-governing organization at neighbourhood level<sup>12</sup>. That is, in

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<sup>10</sup> source: Ministries' Administrative Rules by The Ministry of Civil Affairs: opinions on promoting urban community construction across the country, 2000

<sup>11</sup> Source: Ministries' Administrative Rules by The Ministry of Civil Affairs: opinions on promoting urban community construction across the country, 2000.

<sup>12</sup> Source: Urban Street Office Organization Regulation 1954

accordance with the law, the Residents Committee to be a “mass organization that is established by the residents; together with having its members and leaders campaigned in accordance with the principles of democratic, multitude and transparent... coordinating with the street office for the implementation of policies and the accomplishment of pertinent job targets”. Thus, literally, the Residents Committee does not hold the responsibility to any government department, a street office and a residents’ committee should collaborate equally. However, in reality, the Residents Committees lost their independence after the urban grassroots administration reform in 2000. Since 2000, except for basic community services and basic social welfare, the community takes on the duties for more advanced public services like issues of migrant administration, elderly care, disadvantaged group relief and so on. In this sense, the community has become the main channel to deliver public services with the local government as the executive branch. Therefore, the existing research (Zhang, 2009; Li, 2004; Zhu, 1999; Kang, 2007) also prefer to categorise the residents’ committee as a statutory ‘branch’ of the local government, instead of treating the it as a self-governing organization. One of the most important reasons is that the community campaign is increasingly symbolic: in some cases, the cadres and members of the residents’ committee are appointed by its superior government. Practically, in many cases, the directors of the Residents Committee are always additionally posted as an officer in local government.

### **3.4.2 Rural Grassroots Administrative System**

Although the policies are originally developed and issued by the central government, the rural grassroots authority has certain discretionary powers to implement these policies. In China, the rural grassroots-level governance system is composed of the county/district level governments, township governments, and the village. The village and the two levels of government work together closely.

#### ***3.4.2.1 Township-level government***

Literally, in most cases, the township government are obliged to implement orders from the county government. However, in practice, the township governments are not very reliable in terms of their conformity with the stated policies of the central government. According to Shuli Zhao (2013): “The township with strong autonomy not only ‘selectively’ implements the policies and may evade the monitoring and audit from upper-

level government in many ways, but also frequently gets directly involved in many social issues to maximize its own interests” (2013: 5). Therefore, in some cases, the township government is not reliable for central government as the central government’s policy might be shifted, even ignored, during the implementation process. This situation is particularly serious in the formation of an urban village. Since the 1990s, based on their strong autonomy, township governments not only implement the policies “selectively”, but also frequently become directly involved in many social issues such as the control of public petitions (Zhao, 2013). After the urban expansion, many of the township governments’ jurisdictions were developed into urban areas and became within the charge of the urban district governments. After the urbanization, the township was unable to fully in charge of the grassroots governance because this was beyond its resources and power. Unlike the street office, the township governments are strictly limited in their functions and the capacity to operate the urban governance mechanism based on their institutional system. Before the urban village regeneration programme had taken place, the townships within the urban area were replaced by the street offices. Therefore, it is not necessary to consider the township government in depth; instead, the village authority (including the village Party-branch and village committee) should be discussed in detail.

#### **3.4.2.2 The Structure of Village Governance**

The structure of the village authority is almost the same as other Party-State agencies, which are created by the Village Committee (village council) and the Party Branch of the village. In most cases, they are the same entity. Real power lies with the Party Secretary of the village committee, who is elected every three years by the local Communist Party members within the village. Commonly, in particular for a village with a large population, the residents are grouped into the villagers’ group which takes charge of the routine administration of their village and manages the collective properties of the group. Apart from the leadership of the village committee, the village Party branch and villagers’ groups, a typical village authority has 21 village cadres, including 18 men and 3 women, known as members of the village committee; in most cases, they come from members of the Communist Party. The village authority is powerful. It takes charge of major land transactions within its jurisdiction; meanwhile, as introduced in Chapter 2, they can terminate a 30-year-lease for a nominal fee if the local government acquires their lands.



Unlike the urban administration system, the rural administration system emphasizes its democratic elections and public participation in village governance which have endured since 1952. This is because the citizenship and property rights of villagers are distinguished from the urban and state administration system. In the Mao era, the CCP allocated the farmland to every rural villager through a “village collective”. This “village collective” was organized by all adult villagers within their village. All of the villagers in a village collective shared the ownership of the village properties, including the land, farm tools, and infrastructure. Villagers were allowed to build their own house within their land, and their employment was guaranteed through the allocation of farmland. Therefore, any decision on village affairs should be collectively made, as all of the property is collectively owned by each villager. Therefore, the village governance system was totally different to the urban government. First of all, the village was governed by the village collective, which was a self-governing organization within the Constitution. As introduced above, the identity of the village collective is clearly defined by the Constitution, which cannot be altered even ‘mis-interpreted’ by any level of government. In addition, unlike an urban community, the village collective was financially independent from any level of government and should provide public services and additional welfare through the village’s collective income. This financial independence offered the village collective the capacity to exercise its autonomy.

Unlike an urban community, the village collective is only responsible for their villagers who own a *hukou* (household registration) within the village. This is because the village is the relevant autarky, which pushes the village collective to take on more economic responsibilities, such as: managing of collective-owned properties and respecting the others legal rights; improving and maintaining environmental conditions; using of their natural resources in a reasonable way; and providing basic social welfare for relevant low-income groups (He, 2005). That is, the income of the village will only benefit its own villagers, and the collective income highly affects the villagers’ welfare. This arrangement encourages the villagers to participate in village governance; meanwhile, the Constitution also gives the villagers’ the right to hold direct elections: The leadership and members of a village collective are directly elected by every adult villager. As He (2005) summarizes: “a villager has the right to vote, nominate a candidate, elect the village head, deputy head,

members of the village committee, village representatives, and leaders of branch village, dismiss corrupt village leaders, participate in village decision-making processes and monitor village affairs” (2005: 207).

Under these institutional arrangements, public participation in villages is relatively substantial compared with urban communities. This is because village leadership is under the democratic control of villagers and the village governance system also provides a substantial channel for participation. According to Article 19 of the Organic Law, a village congress is required to conduct a discussion and democratically make decisions on the following domains:

1. *levy and fees collect for the township government,*
2. *collection and allocation the village fees;*
3. *allocation of allowances;*
4. *allocation and distribution of gains and profits from the village collective economy;*
5. *collecting of funds for collective projects such as village schools and roads; village economic projects such as business deals and village construction contracts*
6. *in-village business contracts which namely between the village and individual villagers*
7. *land allotted to villagers for building new houses*
8. *other important issues*

Source: Article 19 of the Organic Law, (translated by He, 2005: 208)

Most importantly, as mentioned in the previous chapter, the residents in village are grouped into the insiders and the outsiders. Insiders are villagers who have *hukou* within their village, who have full citizenship within the village. The outsiders are allowed to live within the village; however, they are not qualified to participate in village affairs, enjoy village welfare or even to access the village resources. Therefore, although the village is geographically open to public access, it has its own territorial and constitutional boundaries.

### **3.4.3 The logic of local government in urban village regeneration**

#### **3.4.3.1 Fiscal Decentralization and Career Promotion**

The tax-sharing system was established in 1994 in order to decentralize fiscal responsibilities and promote local economic growth by reducing the share of local governments and enhancing their autonomy in securing extra-budgetary revenues (Eckaus, 2003). According to the tax-sharing system and the land management law, the land conveyance fee is not regarded as a tax and is under the direct control of local government (Lin, 2007). As noted in Chapter 2, fiscal decentralization is one of the most important factors in land acquisition. Superficially, fiscal decentralization seems to tighten the local budget constraints and promote localities to urbanize land to relief fiscal hardship. Meanwhile, within the context of fiscal decentralization, a political reason for local government to acquire the land for urbanization is that economic performance highly influences the politicians' career promotion. Consequently, until the early 2000s, through offering farmers low standard compensation fees, local governments were capable to increase their local revenue through acquiring lands on a large scale from farmers and leasing or selling them to developers (Huang et al., 2015; Ding, 2007; Lin and Ho, 2005). The drive to develop the land and regenerate the urban village is also rooted in the competition between local governments and politicians. This is because, after 1978, the Chinese Communist Party requested local governments to make economic growth their first priority and that officials should compete with each other to get promoted. As a hierarchical Party-State, in China, shifts in the state policy lead to the significantly shifting distribution of the opportunities among officials in varying economic sectors as well as localities, work enterprises and regions (Zhou, 2001). For example, as the top leaders forced on the political compliance (such as Mao era) political officials and bureaucrats like Party secretaries were provided with the largest power in the work organization. However, the leaders in the post-Mao era shifted their focus on economic growth, the new "manager-in-charge" policy provided the management with more power over the political cadres (*ibid*).

In addition, the shifting policy changes the life chances of various officials and bureaucrats concerning not just their status, but also the promotion and economic rewards (Zhou, 2004; 2007). The local governments and bureaucrats, in particular at the grassroots level, always "selectively" implemented the policies according to their immediate supervisory

government's priority. This is because the Party-State relies on the bureaucratic organization to ensure effective policy implementation, especially emphasis on the quality of the bureaucratic personnel and their understanding of the top leaders' political rational. As Lampton (1987: 9) observed: "A principal task of political leadership is to create an institutional and personnel context hospitable to the regime's specific policy initiatives". This characteristic is also captured in Walder's neo-traditionalist model of China in which "the impersonal standards dictate preferential treatment in return for loyalty and ideological adherence, and standard Party leadership practices require the cultivation of stable networks of such activists in all social settings" (1986: 6).

#### **3.4.3.2 Local collusion**

Another logic of local and grassroots governments in urban village regeneration is the need to engage in "collusion" (Zhou, 2007) with their immediate supervising governments.<sup>13</sup> They have to work closely to avoid public petitions, which were a great concern of higher-level government. The concept of "collusion among local governments" refers to the "cooperative behaviours between lower-level local government and its immediate supervising government, often in the form of various coping strategies to deal with policies, regulations and inspections from the higher authorities, which is inconsistent with the original intentions behind the policies" (2007: 47). The "collusion" among local governments is important for understanding why local and grassroots-level governments are keen on formal and informal actions, such as 'deliberations', 'negotiations' and other 'soft-policies' during policy implementation. This is because the 'collusive relationship' generates the spaces for lower level government to adopt many experimental policy instruments to mitigate the limits of hierarchical command and authoritarian rule (these will be introduced in Chapter 4).

As noted before, in China, governments or agencies at all levels belong to the Party-state system. In China, higher authorities can direct and steer their departments, subordinate offices and agencies through policies or administrative fiats. To some extent, "a main

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13 The term "collusion" refers a different meaning in this research due to the linguistic differences. According to the Cambridge Dictionary, collusion means "agreement between people to act together or illegally in order to deceive or cheat someone". However, the "collusion" (BianTong) in the Chinese context refers "to the adaptive use of informal devices or improvised strategies, often based on social relations, to carry out bureaucratic tasks, in contrast to official procedures, official rhetoric or formal authority" (Zhou, 2010: 52)

component of activities in local governments is to respond to and implement policies and directives from above” (Zhou 2007: 50). The local governments as well as their immediate supervising governments possess a direct administrative authority relationship, which is to send or receive the directives in a direct manner to or from each other. Other agencies or apparatuses above the immediate authority, or the agencies from lateral level, have no direct administrative association. In this manner, a local government at a specific level, holds the primary responsibility towards its immediate supervising government (ibid). Therefore, collusive behaviours between the lowest two levels (village/community and street offices) of governments and their agencies are especially significant in dealing with higher-level authorities. One of the most important phenomena is local government adopting many informal actions during policy implementation. Zhou (2010) summarizes this collusive behaviour as '*biantong*': "it refers to the adaptive use of informal devices or improvised strategies, often based on social relations, to carry out bureaucratic tasks, in contrast to official procedures, official rhetoric or formal authority" (Zhou, 2010: 52). Meanwhile, existing research also focused on social-relation-based and informal actions in grassroots governance, for example, tax collection (Sun and Gu 2000); problems and conflicts solving (Diamant, 2000) and so on. Thus, significance of social-relation-based and informal strategies in policy implementation should be focused, and it will be discussed in Chapter 7 and 8.

### **3.5 Conclusion**

This chapter has introduced China's complex political-administrative system. The Party and State are intertwined in a close manner, whereas their functions and roles are primarily integrated into one entity. That is, the institutions of Party and State in China mostly refer to the same body. Even though both the Party and the state literally have an independent and separate status, in most cases, the Party has dominated of the state through the staffing of the decision-makers of the state with senior Party personnel (Goodman, 2000). In addition, the Party's function and roles have experienced a significant change, considerably emphasizing more economic growth. The social power decentralization at each of the levels is significant, and the charismatic compelling individual leadership is no longer promoted within the Party as well (Wei, 2000). As a strong theme, self-governance has run through China during the post-reform era.

With regard to the current political administrative system, local authorities have more autonomy to reduce the pressure on public services including healthcare, employment and housing. Rapid economic and social transformation has stimulated local autonomy. This autonomy at local level is urged by the rapid social and economic change, thereby causing the large mobility of labourers as well as an intimidating agenda of social demands. Also, the relationship between central and local governments has made a significant shift favouring the latter resulting in the decentralization of administrative authority, growing administrative rationalization and reducing central planning. This is shown in the local governments as well as the basic economic units being awarded larger autonomy in the economic decision-making mechanism. In addition, the village authority shares almost the same structure as other Party-State agencies. In most cases, they are the same entity. However, the village and villagers in China are governed differently to the urban grassroots. They emphasize the democratic elections, voting, and other forms of public participation. These democratic elements not only impact on the village routine governance, but also have a considerable impact on the policy-making and implementation of urban village regeneration.

## Chapter Four: Deliberation Theories and Analytical Framework

### 4.1 Introduction

Deliberative democracy has rapidly developed in the last decade with both practitioners and scholars implementing various initiatives designed to put deliberation into real-world practice. Deliberative democracy is rooted in and characterized as a ‘talk centric’ democracy (Dryzek, 2009). It can provide the opportunity, right, and ability to participate and make a collective decision through deliberation (ibid; Benhab, 1996: 86; Cohen, 1989: 22). This deliberative democracy has also been the subject of empirical research that aims at “tackling the connection between the normative standards of deliberation, how well they are met and the empirical consequences of meeting them” (Bächtiger *et al.*, 2010: 32). The early chapters have claimed that the power structures in China are hierarchical, however, authority has become increasingly devolved to the local government and the hierarchical structure is becoming “fragmented” and “disjointed” (Keane, 2017: 2). Meanwhile, as with political decentralization, China has been experimenting with some forms of democracy, in particular at local-level, such as democratic elections in rural villages and deliberations in conflict solving. Therefore, I raise an important theoretical question in this thesis: is authentic deliberation going on in authoritarian China, in particular, in urban village regeneration?

Admittedly, deliberations, deliberative cultures and institutions within China are different from those in liberal democratic contexts. The systematic approach of deliberative democracy provides a framework to examine its characteristics and evaluate the quality of these deliberations. It helps scholars to understand the designs, developments and the implementations of the deliberations and deliberative institutions in China despite contextual differences (Dryzek and Tang, 2015). I will then explain how this approach can be used to develop an analytical scheme to develop the diverse sites and kinds of deliberative practices and institutions within the particular political issue of urban village regeneration. Based on this systematic approach, I will use this analytical scheme to evaluate the deliberative functions of political actions in imperfectly deliberative moments. This chapter first discusses deliberation and deliberative culture in China. It will then review theories and types of deliberative democracy, followed by an

explanation of the deliberative system as a conceptual approach. Finally, it sets out the analytical scheme of this thesis based on this deliberative system approach.

## **4.2 Deliberation and Deliberation in China?**

“Deliberation is a very old idea. Humans, as social beings, have to make collective decisions. Across a range of settings, argument, discussion, compromise and consensus often drive the decisions” (Heller and Rao, 2015: 2). In this very basic sense, deliberation is the process whereby groups of people can discuss and debate an issue to reach a consensus or an agreement. Dryzek (2000: 76) defined deliberation as “mutual communication that involves weighing and reflecting on preferences, values and interests regarding matters of common concern” (2000:76). These theories of deliberation and deliberative democracy are deeply rooted in the theory of liberal democracy. However, an “authoritarian setting” like China, although it remains an authoritarian regime, has employed a wide variety of consultative and deliberative processes (He, 2006; 2011) which suggest that deliberation might also be rooted in Chinese culture (He, 2014; Dryzek and Tang, 2015). The Western literature (Bohman, 1998; Chambers, 2003; Warren, 2002) criticizes the lack of democracy in Chinese public deliberation, in particular, the lack of democratic elections and a well-functioning rule of law. Therefore, the following important questions are raised: what forms of deliberation exist in China? How can these deliberations be understood and are they “authentic”?

### **4.2.1 Deliberation in Modern China**

#### ***Consultative democracy or deliberative democracy***

In the recent decade the Chinese Communist Party (CCP) and the central government of China have highlighted the importance of “political consultation”, and officially conceptualized the “democracy based on consultation” as “consultative democracy” (*Xieshang Minzhu*). Since the 1990s, consultative institutions at both central and local level have been developed (Fishkin *et al.*, 2010); with consultations being widely implemented at the local level (Fishkin *et al.*, 2010; He, 2010). For example, “in the Shangcheng District of Hangzhou City, a consensus conference or consultation meeting is held regularly once a month.” (Fishkin *et al.*, 2010: 463).



The Chinese government officially translate their practices as “consultative democracy” aiming at conceptually distinguishing from “deliberative democracy” in liberal democratic countries. However, both “deliberative democracy” and “consultative democracy” refer to the same series of political practices. In recent years, the CCP intended to crack down on “liberal ideas” in its public propaganda and their political documents; they therefore translate the “*Xieshang Minzhu*” as “consultative democracy”.

In China, deliberation and consultation often overlap. Scholars (Konreich *et al.*, 2012; Fishkin: 2014) posit that in China “consultative process often shades into a deliberative process”. Instead of viewing deliberation and consultation as two distinct phenomena, they view them as a continuum.

*Consultation, in its extreme form, is a means of two-way communication employed by decision-maker solely to obtain information; at the other end of the spectrum; “deliberation”, in its purest form, implies that decision-maker will do more than solicit input – they will enable space for people to discuss issues and to engage in the give and take reasons, to which decisions are then responsive*

(Konreich *et al.*, 2012: 177)

Most scholars use the term “democratic deliberation” or “deliberative democracy” to emphasise the essence of these political practices: discussing issues and making decisions based on these discussions. In the real-world practice, the government sometimes organizes forums (such as conferences or small-group discussion) for consultation. These forums encourage participants to discuss with decision-makers and others, and these forums provide platforms for the participants involved in discussions, debates, and providing concrete policy options. Thus, in this research, I will adopt the terms of “deliberation” and “deliberative democracy” where the essence of the consultation is deliberation.

### ***Deliberative Democracy in China***

Since 2015, the CCP and the central government of China have raised a political movement to “institutionalize deliberative democracy”. Although the central level leadership maintains a certain level of popular support, however, because of “seemingly illegal decision-making” and the low quality of policy implementation, in the past two

decades the local governments have been challenged by growing public petitions and resistance (Tang and Dryzek, 2014). As I explained in Chapter 3, collusion among local government personnel generates corruption and undermines the legitimacy of (local) government. The implementation of deliberation is increasingly crucial for central and local government as a 'soft' mechanism to enhance social stability and generate legitimacy for the CCP's governance, particularly, at local level. This is because deliberation is also partly meant as a bulwark against corruption as it builds a platform for the public to supervise the governments.

Deliberations in China are led, endorsed and promoted by the CCP. This can be seen in the speech made by former President Jintao Hu in 2006: the implementation of 'socialist democratic deliberation' in China should combine the elements of "the leadership of the Party", "public participation in the policy process" and "governance through 'the rule of law'" (translated by Cheng 2013: 70). Since then, deliberation has become one of the important features in China's political culture under the CCP. The Party established a political deliberation and multiparty cooperation system, namely *The People's Political Consultative Conference*. This system is a national level organization, which takes charge of the deliberations around important policy decisions at state-level (Guo, 2000). As required by CCP<sup>14</sup>, the "leadership of the Party" (*Dang de lingdao*, 党的领导) is the priority principle of the political deliberation. Thus, the "leadership of the Party" must be fully recognized in the deliberations and other forms of public participation. The form of this national-level deliberation among representatives or political authorities includes mechanisms such as democratic consultation, participatory meetings or seminars.

Meanwhile, the reform of 'social management innovations' (*shehui guanli chuangxin*) has introduced participatory and deliberative elements into local society since the 2000s. Under the reform, local governments (mainly municipal level) obtained more autonomy than before to decide their local issues. Moreover, the direct elections at the village level and other innovations that reflect democratic or deliberative elements were introduced in 1980s by Organic Law. Clearly, these practices are talk-based politics that rely on persuasion to influence events. The Party Central Committee officially endorsed

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<sup>14</sup> See CCP's opinions on *Further Improving the Multiparty Cooperation and Political Deliberation System under the Leadership of the Party*

deliberative democracy in November 2013, the Third Plenum of the Eighteenth National Congress. As an outcome, the Central Party Committee formally encouraged the local levels of governments and grassroots regimes to implement deliberative elements. A Third Plenum document from the Central Committee on 9th Feb. 2015, “Strengthening Socialist Consultative Democracy”, reinforced by a further Central Committee directive on 25th June, 2015, outlines the role of the Chinese People’s Political Consultative Congress in promoting “socialist deliberative democracy”. He (2017) summarized the six main ideas prominent in these directives:

- *consultative democracy is an ordered way of absorbing wisdom and strength from the Chinese people to improve governance and public policy, as has always been emphasized by the CCP’s Mass Line;*
- *democracy is a way of ensuring that expertise is included in public policies;*
- *consultative democracy is a key resource for developing the legitimacy of Party leadership;*
- *consultative democracy is a way of ensuring social harmony by providing places for people’s problems and demands to be heard and channelled into the political system;*
- *the long-term goal is to develop not just consultative democracy in a few places, but rather a “multi-institutional” and “complete system of consultative democracy”;*
- *the ultimate goal of developing consultative democracy is to ensure Chinese “minzhu” (the people are the masters)*

(He, 2017: 157).

These central-level directives above not only incorporated political inventives, but also responded to governance challenges, especially at the local level. Particularly, the importance of social harmony is highlighted by the CCP, which puts social stability as one of the first priorities in routine governance. For example, the concept of “community building” at the local level aims to endorse the community as providing the institutional basis for “self-government” in order to enhance social stability. According to *Some Opinions on Comprehensively Promoting the Construction of Harmonious Communities* (Ministry of Civil Affairs, 2006):

*Community building, under the leadership of the Party and government, is to strengthen the functions, improve the services and solve the problems in the community, relying on various social forces and social resources. It is a new*

*government program, which was required by the economic and social development in the construction of modernization in the new era. The first condition is democratic self-governance, improving and smoothing the democratic norms and channels of citizens' participation in the community, formulating a mechanism of citizens' autonomy under the leadership of the Party, increasing the influence of residents on grassroots' economic, political, cultural and other affairs.*

Source: (Translated by Cheng, 2013: 71)

Deliberation in China has attracted scholars in the past decade (Fishkin *et al.*, 2010; Keane, 2017, Dryzek and Tang, 2015), with some researchers conducting detailed empirical research into China's grassroots level, especially around deliberation in urban communities and villages. The evolution of traditional village deliberation practices can be seen from as early as the village deliberative forums in the 1980s: a village committee would organize a deliberative forum where decision-makers (village officials) would come together to discuss village affairs with villagers and facilitate a "give-and-take decision-making process" (He, 2005). These deliberative forums in rural China are often specifically associated with village elections (ibid; Ogden, 2002), as the political legitimacy of the village officials is most likely to be the result of an approval voting and democratic election (Tan, 2006; Unger *et al.*, 2014). Recently, to enhance government performance and promote the governance capacities of the state, local governments introduced deliberation forums as a key institution into the governance of urban middle-class neighbourhoods (Tang, 2018). The deliberation process is actively involved in the routine governance in both village and urban neighbourhood governance including public hearings (He, 2017), participatory budgeting (Qin and He, 2018), as well as consultative meetings and village assemblies (Tang and Dryzek, 2014). These practices not only facilitate governance through a process of cooperation among stakeholders, such as negotiation, information-sharing and other legitimate forms (He, 2005; Ogden, 2002); but also help to improve governmental performance, resolve conflicts, and provide the legitimacy in governance. As we can observe (see table 4.1), policy movements adopting deliberative approaches and elements have been more frequently identified at local levels than central level.

Table 4.1: the political movement of deliberative democracy in the post-reform era

Time	Political movement	Forms and practices
1982-1992	Economic reform	Village elections, the decisions in villages should be discussed with the public.
1992-2002	Three representatives	In addition to the practices above, the Party emphasises that it should represent the public interest and institutionalize and enhance the function of letters and petitions.
2003-2012	Build-up a harmonious society	<p>In addition to the practices above.</p> <p>Community building: the residents' committee replaced the role of the work unit as the grassroots level authority.</p> <p>Soft demolition: the land acquisition should be conflict-free; landlords are allowed to negotiate with the government.</p> <p>Public hearing: government should explain some important decisions (like changing prices for public services) to the public through public hearings.</p> <p>Public consultation: to solve frequent petitioning through communication rather than 'violence'.</p> <p>Many regional practices like the 4+2 system in Henan, Earnest Talk (<i>kentan</i>) in Zhejiang and so on.</p>
2013-	Socialist deliberative democracy	<p>To promote local deliberative democracy.</p> <p>To institutionalize local deliberations.</p> <p>To formalize the deliberation process.</p> <p>To empower the deliberations.</p> <p>To improve governance and strengthen the authority and legitimacy of the Party and the state.</p>

It should be noted that, apart from the instrumental use of the deliberations, the discourse of "the leadership of the Party" is also emphasised by all level of governments.

It reflects the authoritarian ideology: “empower the society” and “employ the deliberative elements”. This should not challenge the Party’s control of the political agenda.

#### **4.2.2 Authoritarian Deliberation**

The concept of authoritarian deliberation is introduced in Baogang He and Mark Warren’s (2011) article “Authoritarian deliberation: the deliberative turn in Chinese political development”, which demonstrates the forms of deliberation act in an authoritarian setting and led by an authoritarian regime such as Chinese Communist Party. In China, deliberations are policy-oriented; they are guided in choice of topic by the Chinese Communist Party; they are instrumentally used to persuade the oppositions and solve the conflicts; they are not allowed to use to infect aggregate democratization. These characteristics will be discussed later in this section. According to He and Wagenaar (2018: 2): “a high level of public deliberation, with sound reasoning and proper procedures, happens not only in liberal democratic societies but also in authoritarian states such as China”. Although China remains an authoritarian regime, it has, however, employed a variety forms of participatory approaches, include public deliberation and consultation in the government and in a local situations such as the village committee (He, 2006; 2011). For example, in the 1980s, leaders of the CCP introduced direct elections in rural villages, since then village deliberation is highlighted as the most important rural decision-making institution. Deliberative governance at the local level was promoted by the CCP as an instrument for providing legitimacy to government actions, strengthening the authority of the Party-state, and improving governance (He and Wagenaar, 2018). Other deliberative innovations are also implemented, such as “participatory budgeting” (He, 2011; Wu and Wang, 2011), “voting and electing at the village governance” (He, 2005; 2006), “deliberative forums” (He, 2014; Dryzek and Tang, 2015), public hearings (Qin and He, 2018), and “deliberative polls” (Fiskin, 2018). Therefore, China demonstrates a variety of forms of deliberation which can be included within the concept of authoritarian deliberation:

*Although very uneven, many of these innovations appear to have genuinely deliberative elements: that is, they involve the kinds of talk-based politics that generate persuasive influence, from which political leaders take guidance and upon which they rely for the legitimacy of their decisions. Curiously, these practices are appearing within an authoritarian state led by a party with no*

*apparent interest in regime-level democratization. We call this paradoxical phenomenon **authoritarian deliberation**.*

(He, 2017: 155-156).

The concept of authoritarian deliberation theoretically reconstructs deliberative politics in China. As one of the most important elements, “deliberation as everyday talk” should be understood within a broader definition (see section 4.3, Type two deliberation) with a systemic approach (see section 4.4, deliberative system) that tolerates many different forms of deliberation. As He (2014) comments:

*As soon as deliberation is conceptualized as everyday talk, or as a form of persuasion-based influence different from democratic empowerments like voting and rights, we open our eyes to the diverse, rich and complex world of deliberation. Democratic deliberation, very much associated with liberal society, is more or less free and equal and is an advanced stage of public deliberation*

(He, 2014: 72).

The significance of “broaden the definition of deliberation” is not only raised in the literature around Chinese deliberation, it is also raised in the literature on deliberation practices in a liberal democratic setting. Deliberation then is grouped into Type one and Type two deliberation (see next section). Therefore, I will argue that the “everyday talk” has significant deliberative functions in a larger political-administrative system because it significantly influences the deliberative process and final decision-making.

The Western literature (Bohman, 1998; Chambers, 2003; Warren, 2002) emphasises the connection between deliberation and democratic institutions; meanwhile, it criticizes the democratic nature of Chinese public deliberation. The argument is that because of the lack of democratic elections and a well-functioning rule of law, public deliberation is symbolically used like a political show. The controversy here is rooted in cultural bias, as I will explain later. Deliberation in China is rooted in the traditional Confucian Moral code; however, deliberation in the West is rooted in liberal democracy. Therefore, before any further discussion, it is important to illustrate the key features of authoritarian deliberation in China. In bringing together real-world deliberative process and outcome

of liberal democratic and authoritarian systems, He and Wagenaar (2018: 1) summarize “six key features of authoritarian deliberation in China”:

1. Deliberation in China is a precarious balance between legal rule and state intervention.
2. The Party appeals to public reason to address and manage social conflict and develop the soft coercion that accompanies much authoritarian deliberation.
3. This highly controlled deliberative process does, however, allow the freedom of local participants to find spaces for democratic expression and local experiments to develop elements of deliberative democracy.
4. Authoritarian deliberation is characterized by mutual instrumentalism.
5. There is an important administrative and policy perspective in authoritarian deliberation.
6. The concept of authoritarian deliberation is not limited to China.

Clearly, authoritarian deliberation has many differences from deliberation in the liberal democratic system. Before we introduce the theoretical framework of this thesis, it is important to understand China’s deliberative culture and deliberation practice beyond the theoretical constraints of its democratic nature and to show that it is possible to find deliberation, even democratic deliberation, in an authoritarian context. Tang and Dryzek (2014: 109) argue that:

*Although historically the theory of deliberative democracy was developed in Western liberal democracies, to ask whether deliberative democracy can travel to other settings, beyond developed Western liberal democracies, is not the right question. It is better to investigate instead the degree to which deliberative practices that can form a basis for democracy can be found in the traditions and practices of particular societies and systems*

In addition, the Chinese Communist Party has emphasised the demands for the governance reforms, in particular, the empowerment of democratic elements. For example, the CCP emphasises the slogan of “power must be supervised by the people and exercised transparently” and “enriching democratic forms to show the advantages of China’s socialist political system” (Tang and Dryzek, 2014: 110). Therefore, the above six features draw attention to the real-world challenges of deliberative democracy theory in China. As stated, this thesis focuses on the role of democratic deliberation in urban village



regeneration, thus it is important to understand how deliberation operates in real-world practice.

#### **4.2.3 China's Deliberative Culture**

On the one hand, China could be treated as a single-party, authoritarian country, on the other hand however, the Chinese Communist Party is permeated with a series of deliberative and participatory practices (He, 2006; Nathan, 2003; Mohanty *et al.*, 2007; Ogden, 2002), especially at the local level (He and Warren, 2011; He, 2006). In addition, the reality of China's contemporary political system (see chapter 3) is confusing for many western scholars. They admit that there are many democratic elements being implemented in China and that these practices have limited the defects of "authoritarian rule". However, in the final analysis they argue that it is better to draw the conclusion that the political system of China is an 'authoritarian regime' (He and Warren, 2011; Mohanty *et al.*, 2007). These conclusions are too simplistic to do justice to the political systems, environments and cultures in China, particularly, at local level. Instead, "democracy with Chinese characteristics" (Keane, 2017: 143) is a crucial characterization of the contemporary China. Keane (2017: 143) describes these democratic elements in China as below:

*... democracy made in China will survive, and perhaps thrive, so confounding the normative claims of those who judge it to be a cut-and-dried case of an 'authoritarian regime' in need of 'liberal democracy'. China's democracy is a polity, indeed a whole way of life, in which those who exercise power are everywhere subject not just to periodic 'free and fair' elections, but also to tight public scrutiny and sanction by a myriad of independent watchdog institutions designed to tame and remove the corrupting effects of arbitrary power (Zhuanquan).*

The argument above offers a great opportunity for western researchers to review the Chinese local institutional innovations and the political democratization in China. In particular, it offers a tolerant perspective for western researchers to review the deliberative culture, despite the political and contextual differences.

#### ***Deliberative Culture in China***

Deliberative culture is rooted in Chinese tradition, with deliberation having political functions since ancient times. The cultural and historical lens can assist western scholars to address the contextual differences of deliberation between western world and modern China. This section will argue that, the current practices of institutionalized deliberation are based on the Chinese traditional culture and history, they have become more inclusive and accessible for ordinary people than was the case in ancient China. More recently, it was used as an instrument for the CCP to enhance its authority. Through tracing the ideas, language and philosophy in ancient China, there are considerable cultures and philosophies that form the basis for contemporary deliberative democracy in China. He (2014: 62) points out that:

*... the Chinese conception of deliberation is historically and culturally very deep and elaborate, with multifaceted elements. The Confucian ideal of mim-ben (people-centric) was a political foundation for Confucian deliberation. The 'Confucius sage' (sheng), revered as the ideal personality: attentive to the opinion of the people, expressing the voice of the people and serving the people ... Confucianism advocated a balanced theory of deliberation that required talk-centric politics, but with a pragmatic, authoritarian and necessary form of discipline or control*

In detail, the key moral codes in Confucianism are *ren* (humaneness), *li* (ritual) and *junzi* (gentleman) (He, 2014). Under the guidance of the Confucian moral code, deliberation became crucial as a counterbalance of the abuse of power and to against malpractices by the authorities. The *ren* and *li* (礼) show the political values of justice and the *junzi* refers to elitism, which shows the hierarchical essence of authoritarian governance. The value of *ren* refers to the political value of “justice” in terms of humaneness, in ancient China it requires the ruler to be inclusive. The “*li*” defines the concern for harmony and the priority of the correct procedures in deliberation and the political bargaining process. However, this priority of the procedural shows the essence of elitism: only *junzi* (gentleman) could participate in the deliberations. The gentleman here refers to the well-educated people with considerable reputation. Confucius put forward that “in a world following the Way (*dao* 道) in the *Analects of Confucius*, the public is not required to discuss the politics” (Legge, 2010). Together with that, the public “The ‘rites’ should not be debated or deliberated on in a light way” (*wuqing yili* 毋轻议礼) is also advocated by

the *Analects of Confucius*, which indicates that only exemplary persons who are qualified by learning and practising can debate or deliberate. He (2014) summarized as follows:

*The domination of these terms indicates a political order in which the rule of gentlemen prevailed, the notion of duty was central, moral concerns overrode political bargaining processes and harmony won over conflict. The practice of yi (deliberation) was carried out by junzi and regulated by the moral principle of ren and li*

(He, 2014: 62)<sup>15</sup>.

There were various institutional practices of deliberation within old China, even within the imperial era. The first formal institution – termed *yanguan* (remonstrating office), serving as the key deliberative institutions. Existing records of remonstrance documents reflect that officials offer loyal and sincere advice as well as criticism; whereas the debates as well as reason-based and moral-based argumentation often involved in the remonstrance process. This deliberative institution in ancient China not only acted as a consultant and advisor for the emperor, but also acted as a supervisory institution that attempted to hold the emperor's power to account. Another kind of deliberative institutions in the ancient China was the school and academy (named as *shuyuan*), where scholars and elites could debate public affairs and policies (Chen and He, 2006). He (2014) suggests that the 'scholars in ancient China' formulated them searching for an identity, together with a moral and community of the cultural autonomy, thereby making the realization of the True (or Great) Way. This referred to the Confucian *daotong* tradition (He, 2014), an institutionalized mechanism wherein intellectuals were capable of challenging a ruler's behaviours, policies and decisions, instead of the rulers having legitimacy claims and explanations without being supervised and monitored. Functionally, it referred to an institute, representing the viewpoints of individuals; also, it referred to a place, wherein researchers had the liberty of pursuing their scholarly investigation and cultivating their moral character (He, 2014).

The political function of deliberation is considered as a check against the tyrant, aimed at avoiding the mistaken political decisions and developing the policies that favoured the individual's interests. In ancient China, with regard to all of the individuals, including the

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<sup>15</sup> In Chinese, different words may share the same pronunciation, therefore, both 礼 and 理 share the same English pronunciation "li". However, li (礼) refers to ritual, and li (理) refers to principle.

emperors, this constituted quite a serious matter, usually determining the order of the state. Furthermore, the conceptual space for “*jian*” (admonishing) accordingly opened up to correct the path (*dao*) (Legge, 2010). In China’s history, most of the public protests adopted “*jian*” as a slogan to show their legitimacy. These deliberative moral values are also significant in contemporary China. The deliberative culture within contemporary local governance practice follows the Confucian normative ranking. He (2014) argues that, there are three essential forces in Confucian thinking: morality, reason and might.

*To persuade people one must try morality first, reason second and might last.*

*Morality is normatively higher than reasoning and reasoning higher than might ( 以道服人高于以理服人，以理服人高于以力服人). Might is acceptable only after deliberation has failed, and not before.*

(He 2014: 63)

This normative ranking is also reflected in Chinese everyday language. For example, the Chinese individuals trust that “truth will emerge from sustained discussion as well as deliberation (*li yue bian yue ming*).” In the course of addressing conflict and disagreement, Chinese people usually adopt these kinds of terms, for example, “*bai shi shi, jiang dao li*”, which is presenting the facts and the rationales to sort things out. In a case where one party has a feeling of unfairness or injustice from the other party, one usually appeals to “*shuo li*”, which is “making an argument”. Usually, two conflicting parties seek out a senior/authority figure and ask them for “*pingli*”, which indicates that both of them are presenting their arguments and opinions, and the senior/authority figure will make an arbitration according to “li (理)” (principle). The most significant point here is the term “li (理)” (principle), which refers to the normative ranking. As will be discussed in the case study chapters, “*shuoli*” is the most important target in rural deliberation.

#### **4.2.4 Conclusion**

This section has introduced China’s deliberative practices, deliberative culture and the concept of authoritarian deliberation. However, it seems that deliberation in China is a ‘soft way’ of persuading the public. The discussion in this section is not enough to answer the question “Are there any authentic deliberations in China?”, as this requires a more in-depth conceptual discussion because the concept of deliberation is stretched, not only

existing in terms of contextual differences between “authoritarianism” and “liberal democracy”, but also by the existing types of deliberation.

### 4.3 Types of Deliberation

Deliberative democracy is rooted in an ideal, wherein people come together, based on mutual respect and equal status, to discuss the political concerns facing them and, on the basis of those discussing, to decide on the policies, which are subsequently expected to impact their lives. Gutmann and Thompson (2004: 7) define deliberative democracy as:

*A form of government in which free and equal citizens (and their representatives) justify decisions in a process in which they give one another reasons that are mutually acceptable and generally accessible, with the aim of reaching conclusions that are binding in the present on all citizens but open to challenge in the future.*

*(Gutmann and Thompson 2004: 7)*

Their research defines deliberation itself minimally to imply the mutual communication, involving weighing, together with having reflection on not only preferences, but also values and interests with regard to the matters of the common concerns (Mansbridge *et al.*, 2018). Beyond that, deliberation always involves direct, face-to-face interaction, and a commitment to open and engaged exchange of arguments. “Deliberation” is rooted in democracy theories, which could be described as “informed debates and discussions between participants, to enhance the legitimacy and improve the quality of the decision making. Meanwhile, Gastil and Black (2008: 2) described the deliberation process as one in which “people carefully examine a problem and arrive at the well-reasoned solution after a period of inclusive, respectful consideration of diverse points of view (2008: 2)”. Thus, deliberation advocates a “talk-centric approach to democracy” (Chambers, 2002: 98). According to Dryzek (2002), deliberation is a social process distinguishable from “other kinds of communication in that deliberators are amenable to changing their judgments, preferences and views during the course of their interactions, which involve persuasion rather than coercion, manipulation, or deception.” (Dryzek 2002: 1).

One of the most important and difficult challenges for deliberative democrats is to understand how many sites and kinds of deliberation are enabled and constrained by

their environments, how they interact with established institutions, how deliberation translates from face-to-face to large-scale deliberation and how, more generally, deliberation contributes to a democratic political system. Dryzek (2005) raised three key tests for deliberation: “the communicative process must be non-coercive, capable of inducing reflection and capable of linking the particular experience of an individual or group with some more general point or principle” (2005: 224). As will be discussed later, the two types of deliberation can lead to confusion because Type one deliberation is too narrow and Type two deliberation is too broad.

As will follow below, some deliberations hold firmly to the standards raised by Habermasian communicative action (Type one deliberation), however, other deliberations refer to any form of communication, or to deliberation (Type two deliberation) in a sort of sense of weighing rational arguments systematically (Bächtiger *et al.*, 2010). Also, some deliberation takes place in formal settings, and others more spontaneously in more informal settings. The aim of the discussion of these types of deliberations in this research is not to endorse one and criticize the other; instead, the aim of the discussion is to set up feasible criteria to identify deliberation from other forms of communications in Chinese context. This section will first introduce the Type one and Type two deliberation; then, followed by an introducing of the deliberations in both formal and informal setting; and I will explain how to understand different types of deliberations in different settings.

#### **4.3.1 Type one and Type two deliberation**

Type one deliberation refers to ideal-type deliberation which “is rooted in the Habermasian logic of communicative action and embodies the idea of rational discourse, focuses on deliberative intent and the related distinction between communicative and strategic action and has a strong procedural component. In this view, deliberation implies a systematic process wherein actors tell the truth, justify their positions extensively and are willing to yield to the force of the better argument. The ultimate goal of Type one deliberation is to reach an understanding, or consensus” (Bächtiger *et al.*, 2010: 33). Type one deliberation is based on Habermas’ idea of the “ideal discourse” (1992: 370-2), based on Habermas’ theory, Cohen (1989) conceptualized deliberation as an “ideal deliberative

procedure". It distinguishes deliberation from other forms of communication by the following principles:

- *no one with the competency to speak and act may be excluded from discourse;*
- *all have the same chances to question and/or introduce any assertion whatever as well as express their attitudes, desires and needs;*
- *no one may be prevented, by internal or external coercion, from exercising these rights;*
- *all have the right to question the assigned topics of conversation;*
- *all have the right to initiate reflexive arguments about the very rules of the discourse procedure and the way in which they are applied or carried out; and*
- *discourse must be public*

(Cohen 1989: 23).

According to the above principles, mere talk, information-sharing, or conversations cannot be qualified as deliberations. Type one deliberation is criticized at the empirical level because the Habermasian model of communicative action is too demanding to apply. It is impossible to acknowledge the ineradicable dimension of antagonism that pluralism of values entails. In addition, many psychologists are similarly sceptical about whether people really possess the requisite abilities for making communicatively rational discourse work (Rosenberg, 2002). Type one deliberation is also criticized at the macropolitical level because it ignores that "politics is about interests and power", politics is not about the "understanding" as well as the "better argument" (Shapiro 1999: 36).

Type two deliberation focuses on the outcomes rather than the process; it pays more attention to overcoming the constraints from 'real word practices' on the realization of normative ideals. In Type two deliberation, the deliberative outcome is not generally specified, it might include meta-consensus, preference structuration, and intersubjective rationality, etc. (Bächtiger *et al.*, 2010). In contrast with Type one deliberation, Type two deliberation includes all forms of communication including emotional discourse, rhetoric, or story-telling, etc. At its limits, the concept of Type two deliberation is broadened "to include all activities that function as communicative influence under conditions of conflict" (Bächtiger *et al.*, 2010: 33). That is, instead of identifying "authentic deliberation" that

properly differentiates communicative action from strategic action, Type two deliberation abandons or relaxes the sincerity criterion of “authentic deliberation”.

However, Type two deliberation is more tolerant and open to alternative forms of communications than Type one. It was criticized by Type one theorists because it seems to admit most communicative forms. It might be a risk that there is no difference between deliberation and other forms of communications (Bächtiger *et al.*, 2010). Meanwhile, it may abandon fundamental regulative principles. For instance, the sincerity norm, likely governing any discourse despite being not entirely achieved in the real world; is not empirically well-understood in the procedures leading to the normatively promising outcomes of Type two deliberation, which gives rise to questions regarding whether both the means and ends connect in a satisfying manner. As Dryzek (2000: 48) comments:

*Some deliberative democrats, especially those who traffic in public reason, want to impose narrow limits on what constitutes authentic deliberation, restricting it to arguments in particular kinds of terms; a more tolerant position, which I favour, would allow argument, rhetoric, humour, emotion, testimony or storytelling and gossip.*

The discussion above is neither to deny the importance of Type one deliberation theory, nor to deny the conscientiousness of Type two deliberation theory. Instead, as will be introduced in later sections, the synthesis of Type one and Type two deliberation theories can generate an appropriate analytical scheme to identify the deliberations in real world practices and evaluate the quality of these practices in real-world processes of policy making.

#### **4.3.2 Formal and Informal Deliberations in China**

Since 1990s, China has experienced an explosive growth of social conflicts along with its rapid economic development and the state enterprises privatization (Cai, 2010; O'Brien and Li, 2006; Perry and Selden, 2003). According to Tang *et al.* (2018: 794), social protests and citizens' resistance have played a significant role in establishing deliberative practice in China. The new-type urbanization policy significantly promotes the “human-oriented” principle through political reform: public participation in planning has been enhanced, with the aim of respecting the willingness of local residents to participate as well as limiting the conflict between stakeholders. As one of the most important



participation channels, a series of forms of democratic deliberation had evolved in urban governance practices. Literately, deliberation is rooted in the “Mass Line<sup>16</sup>”, which is one of the core values of CCP. Its emphasis that the Party should be integrate in, and work with the public. Because of the rise of protest in the last two decades, the “Mass Line” is stressed by the Central Committee since the 18<sup>th</sup> National Congress of the Communist Party of China. Deliberation was treated as the one of the most important political instruments of the CCP. As I explained before, in China, local deliberative democracy has been emerging, despite the fact that it seems like an unlikely place (Fishkin *et al.*, 2010; He and Warren, 2011). In the real-world practice, the deliberations might be impacted by and might impact the social and political settings. Therefore, to facilitate the later data analysis (see Chapter 6), at very beginning, this research will group the deliberations in China in terms of formal and informal deliberations. In this study I will argue that the only difference between formal and informal deliberation depends on ‘the setting’; meanwhile, both formal and informal deliberation are parts of China’s deliberative system (See chapter 6, 7, and 8).

### ***Formal deliberation***

The formal deliberation refers the regularized deliberations led by government or village/community authorities are formal deliberations. These include the designed deliberative democracy experiments, such as deliberative forums, deliberation polling, and democratic roundtables (He, 2014; Fishkin *et al.*, 2010; Wu and Wang, 2012). Meanwhile, some of the village deliberations include the village congress, and these also act as formal deliberation (See Chapter 6). These village deliberative forums were developed in the 1980s: a village committee would hold deliberation forums where decision-makers (village officials) would come together to discuss village affairs with villagers and facilitate a give-and-take decision-making process. Beyond the basic village deliberative institutions, in some provinces, like Henan, the village deliberations have developed into a systematic institution like the 4+2 decision-making system (see Chapters 6 and 7), these designed practices abide strictly by their design and structure and ‘formally’ contribute to the officials’ legitimacy, authority and credibility.

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<sup>16</sup> Mass line: “*qunzhong luxian* 群众路线” in Chinese: See (Kennedy and Shi, 2014): “government officials at the county and township levels of government will accurately report conditions in villages and identify villager needs and concerns. (Kennedy and Shi, 2014: 218)”

### ***Informal Deliberation***

The term ‘informal deliberation’ will be used to describe deliberation beyond institutional processes and designed forums. It should be declared that as the Chinese traditional rural village administration relies on a ‘person-network’ based on the authority and credibility of the village cadre, deliberation on village affairs always involves many informal actions like street talking and door-to-door visiting (Tang, 2015). These deliberations will be discussed in Chapter 6. Theoretically, these informal deliberations are different forms of “everyday political talks”. Everyday political talks are “a casual by-product of social interaction that incidentally serves political functions”, and through the everyday political talk, “citizens gain information and exchange ideas, ask and answer questions, offer opinions, express emotions, and recount personal experiences” (Conover and Miller, 2018: 378). Clearly, it is difficult for everyday political talk to meet the criteria and standards of Type one deliberation (Bächtiger *et al.*, 2010; Conover *et al.*, 2002; Walsh, 2004). However, it plays a critical part in the success of a deliberative democracy. Everyday informal deliberation is intertwined into the conversations naturally between family and friends; it helps the public to make sense of social dynamics and political agendas and, finally, to influence those political agendas (Eveland *et al.*, 2011). It also plays significant roles in terms of transmission from public space to empowered space (Dryzek, 2009). Therefore, informal deliberation can widen participation and facilitate negotiation through involving a larger range of grassroots groups to deliver their opinions (Tang, 2015). In the later empirical chapters (Chapters 6, 7, and 8) this research will show that the informal deliberation could help local government and planners to improve their proposals by including local knowledge.

#### **4.3.3 Combination of Type one and Type two deliberation**

Despite the types of deliberation, the essence of the discussion around the definition of deliberation is to answer an important question: what constitutes authentic deliberation? To evaluate a real-world practice, theoretically, it is possible and productive to combine the Type one and Type two deliberation. According to Bächtiger *et al.* (2010), both types of deliberation have “non-trivial normative and empirical blind spots” (*ibid*: 54). Therefore, more research around deliberation outside formal fora and within dispersed policy systems might be eye-opening: not only to search for empirical practices that might

engage both Type one and Type two to “sketch up the middle ground more clearly” (*ibid*: 54), but also to link deliberation with development.

This thesis will argue that, in the real-world practice, both Type one and Type two deliberation should have a space to understand the deliberation in real-world. That is, in the real-world practice, deliberations take places in the different circumstances social-political context (Dryzek, 2009), thus, the theoretical perspective should be tolerant and inclusive in identify a genuine deliberation from other political actions (see Type two), meanwhile, it should also be able to evaluate the quality of deliberative process (see Type one deliberation). Therefore, Dryzek’s more relaxed criteria of “authenticity, inclusiveness and consequentiality” in Type two deliberation theory are selected in this research to identify the genuine deliberations in China. In detail, these three criteria are:

- **Authenticity:** *deliberation must induce reflection non-coercively, connect claims to more general principles and exhibit reciprocity.*
- **Inclusiveness:** *this applies to the range of interests and discourses present in a political setting. Without inclusiveness, there may be deliberation but not deliberative democracy. Mutz (2006) worries that deliberation works against inclusion because “hearing the other side” induces people to participate less. But Mutz is referring only to unstructured talk in everyday life, not deliberation - still less, deliberation tied to particular locations in a political system.*
- **Consequentiality:** *deliberative processes must have an impact on collective decisions or social outcomes. This impact need not be direct - that is, deliberation need not involve the actual making of policy decisions. For example, public deliberation might have an influence on decision makers who are not participants in the deliberation. This might occur when an informal deliberative forum makes recommendations that are subsequently taken into account by policy makers. Nor need the outcomes in question be explicit policy decisions; they might, for example, be informal products of a network, thus entailing “governance without government”.*

(Dryzek, 2009: 1328)

Urban village regeneration is a complex and comprehensive development; therefore, genuine deliberation around it should meet these three criteria. First, the deliberative result might be risky if the deliberation fails in authenticity, as the result generated by formalistic deliberation can be authoritarian, irrational, and one-sided (Dryzek, 2009).

Second the deliberative results might be risky and stupid if the deliberations fail to include the diverse opinions and interests, this is because the deliberation should be responsive to what matters, otherwise, it cannot generate relevant results to the right problems (Forester, 2018). Third, deliberation should be consequential: the deliberative results should commit to actions, rather than just talk.

Meanwhile, the genuine outcomes generated from deliberation should retain some forms of procedural legitimacy and rational warrant of the deliberation process at the same time. However, given the defects in Type two theory, it is not enough to argue that these deliberations are good deliberations. As discussed above, the Type one theory operationalizes the Habermasian logic into an analytical scheme. Steenbergen *et al.* (2003) proposed the *Discourse Quality Index (DQI)* to measure the quality of the deliberation by using seven indicators, as below:

1. Participation;
2. Level of justification (do speakers just forward demands or do they give reasons for their positions, and how sophisticated are such justifications?);
3. Content of justifications (do speakers cast their justifications in terms of a conception of the common good or in terms of narrow group or constituency interests?).
4. Respect towards groups (do speakers degrade, treat neutrally, or value groups that are to be helped?).
5. Respect towards demands (do speakers degrade, treat neutrally, value, or agree with demands from other speakers?).
6. Respect towards counterarguments (do speakers degrade, ignore, treat neutrally, value, or agree with counterarguments to their positions?).
7. Constructive politics (do speakers sit on their positions or submit alternative or mediating proposals?).

The DQI provides an appropriate analytical scheme to evaluate the quality of the process of deliberations to warrant the procedural legitimacy. However, it has some operational difficulties. For example, for the criterion *level of justification*, it is difficult to make a judgement about “good reason” or “bad argument” because it is too subjective from the viewpoints of the participants themselves. This issue can be reduced if we go through the supporting documents and evidence to make an overall understanding about how well it

retains the procedural legitimacy and provides a rational warrant of the deliberation process. How to solve these practical difficulties will be discussed in Chapter 5.

To sum up, through the combination of Type two (authenticity, inclusiveness and consequential) and Type one (DQI) I have constructed a scheme to identify genuine deliberation in urban village regeneration. That is, a genuine deliberation should be authentic, inclusive and consequential; meanwhile, it should also satisfy the quality of the deliberation process to warrant procedural legitimacy. However, the discussion above of the criteria is targeted at single-site deliberation, such as a forum, meeting, or consultation. Beyond the investigation of deliberation itself, it is important to understand the role of deliberation in China's political-administrative system. This raises an important question of this research: how deliberative is authoritarian deliberation in China's political-administrative system? Therefore, the next section will discuss the deliberative system approach, which provides a systematic perspective to evaluate a political system as a whole.

#### **4.4 Deliberative System Approach as a Theoretical Framework**

The objective of this research is to evaluate the role of deliberation as a political instrument for local administration; and to explore the role of deliberation in local development process under the context of urban village regeneration. Despite He and Warren's authoritarian deliberation theory offering a useful framework for understanding China's deliberation practices in general, it is important to examine the development of deliberative institutions in China within a specific Chinese political context. These two main objectives concern the process, outcome and place of authoritarian deliberation in China's complex governance system. In this section, I will begin with the discussion of the concept of deliberative system, at the section part, I will discuss the relationship between deliberation and development from the perspective of deliberative capacity building, finally, I will make a justification that why deliberative system approach is appropriate in this research.

##### **4.4.1 Concept of Deliberative System**

"Deliberative system" suggests a systemic approach to understand the deliberation practices and deliberative elements. It seeks to allocate "the deliberative essence" in each

single forum or actions, meanwhile, it also seeks to allocate these deliberation practices within a “larger political system” to understand the “interrelation among the parts” (Dryzek, 2017: ). The system refers to “a set of distinguishable, differentiated, but to some degree interdependent, parts often with distributed functions and a division of labour, connected to form a complex whole” (Mansbridge *et al.*, 2012: 4). Based on this conceptualization, the concept of “deliberative system” suggests a new perspective to understand deliberation practices and deliberative elements. This approach links deliberative democracy theory with real-world practice, and it broadens the research around deliberation to include the complex political and administrative system rather than isolating the research within the “communication process”. As Curato *et al.*, (2017) points out that: “the recent turn toward deliberative systems demonstrates that deliberative democratic ideals can be pursued on a large scale in ways that link particular forums and more informal practices, such as communication in old and new media. Deliberative democracy is not utopian; it is already implemented within, outside, and across governmental institutions worldwide” (2017: 29).

Before the discussion around the advantage and significance of the deliberative system approach, it is important to sketch up the characteristics of deliberative system. Dryzek (2009) theoretically conceptualize the characteristics of deliberative system as the *general scheme for a deliberative system*. This scheme suggests that a deliberative system would be composed of the following elements:

1. **Public Space.** *A deliberative space (or spaces) with few restrictions on who can participate, and few legal restrictions on what they can say, thus featuring a diversity of viewpoints.*
2. **Empowered space.** *A deliberative space for actors recognizably part of institutions producing collective decisions. Public space and empowered space can both be tested for the degree to which they are inclusive of relevant interests and voices.*
3. **Transmission.** *Some means by which public space can influence empowered space. The relationship between public space and empowered space can be critical, or it can be supportive, or it might be both.*
4. **Accountability.** *Some means whereby empowered space is accountable to public space. Such accountability is key to the generation of broad deliberative legitimacy for collective outcomes.*

5. ***Decisiveness.*** *Some means whereby these first four elements are consequential in influencing the content of collective decisions.*

(Dryzek, 2009: 1385).

The general scheme for a deliberative system summarized the basic characteristics of a deliberative system in real-world practice. Beyond the investigation of the deliberation itself, this scheme targeted at the institutional arrangement. It seeks to provide an overview around diverse sites and kinds of deliberative practices and institutions within broader systems, such that even imperfectly deliberative moments can serve deliberative functions. In following discussions, I will explain that this scheme provides a scheme to make an overall justification that whether a political system could be justified as a deliberative system.

#### **4.4.2 Justification of Deliberative System Approach<sup>17</sup>**

Despite He and Warren's authoritarian deliberation theory offering a useful framework for understanding China's deliberation practices in general, it is important to examine the development of deliberative institutions in China within a specific Chinese political context. Instead of looking at "authoritarian deliberation practices and institutions" in urban village regeneration in isolation, this research examines the interrelationships and interactions between them within a larger-scale deliberative system. As discussed previously, deliberation theory is rooted in democracy; however, some of these discussions excessively focus on China's authoritarian context. Critics view authoritarian deliberation pessimistically as: "a relatively limited policy instrument that in an overall authoritarian, and intrinsically unjust, political system is employed by officials in an instrumental way to persuade or compel citizens to accept their decisions and to generate political support. However, this is too one-sided (Niu & Wagenaar, 2018: 691)". Instead of strictly criticizing the deliberation practices in China's urban village regeneration according to western theories (Warren, 2007), these deliberative moments should be understood comprehensively and objectively in the context of the entire governance system.

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<sup>17</sup> This section is developed from a part of the author's publication, see: Niu, P., & Wagenaar, H. (2018) The limits of authoritarian rule: policy making and deliberation in urban village regeneration in China. *Japanese Journal of Political Science*. **19**(4), 678-693.

There are two parallel governance systems existing within the urban village regeneration, with an uneasy and unstable mutual alliance (Niu and Wagenaar, 2018). That is, “the project-based command-and-control system” is downwards extended into lower levels of government and regimes, and this system is directly tied into the CCP’s authoritarian rule (ibid). Meanwhile, the traditional village governance system is rooted in a deliberative cultural, these deliberative governance practices are endorsed by the CCP in fact (ibid). This research also encounters the informal deliberation efforts by district and village authorities that, with project management, form an integral part of a wider administrative system that is targeted at economic development. These deliberative moments are constrained by the *a priori* performance goals that are *a priori* to norms of communicative rationality, acting as constraints on the process. By evaluating the functions of diverse actors, events and outcomes in urban village regeneration, the deliberative system approach integrates deliberative forums and informal communication into one micro-level political system for a particular governance problem. This approach also integrates how this deliberative system further affects local governance in terms of policy-making and implementation and produces deliberative capacity at the macro-level of the public sphere. The systematic approach provides three main dimensions to understand and interpret the deliberative system: the boundaries of the system, the deliberative qualities of the deliberation and the functions within the system that should be evaluated. The section following will explain how this approach can be applied to build an analytical framework for this study.

The deliberative system approach provides a more tolerant framework to examine the characteristics and evaluate the quality of these deliberations than Type one deliberation and authoritarian deliberation. To sum up, the deliberative system approach has a series of advantages: it can include diverse (both formal and informal) deliberative gatherings, multiple kinds of actors, and a diversity of institutions. The next part will discuss how to use the deliberative system approach as the analytical scheme for this research.

#### **4.4.3 Boundaries of Deliberative System**

To evaluate a deliberative system initially requires its “boundaries” to be established. The boundaries of a deliberative system are drawn by the formal boundaries of a political or



administrative system; this research will argue that the scalar governance system around urban village regeneration can be understood as a deliberative system (Niu and Wagenaar, 2018). Therefore, the system is “a set of distinguishable, differentiated, but to some degree interdependent, parts often with distributed functions and a division of labour, connected to form a complex whole” (Mansbridge *et al.*, 2012: 4). On the level of a larger deliberative system, the entities of that system may not meet the high deliberative quality, but the overall deliberative system meets a higher deliberative quality (See section 4.3) than its entities; similarly, a deliberative system may not meet high deliberative quality, but it can contribute a comprehensive and complex social development through the deliberative capacity building. That is, “in a dynamic of deliberative complementarity, when one instance within a process or one forum within a system is low in deliberative quality, it may nevertheless contribute to the overall quality of the process or the system as a whole” (Heller and Rao, 2015: 40). In this research, the focus is on the events (or actions) in these four arenas:

1. The binding decisions of the local state (the policies themselves and their implementation);
2. Activities directly related to preparing for those binding decisions: such as communicative processes, e.g. public propaganda, consulting and demonstrating, between actors (government villagers, village authorities, enterprises, planning professions, etc.);
3. Informal talk related to those binding decisions such as home visiting, street talking, persuading, (threats of) punishment, discretion, disobedience, resistance, etc.
4. Arenas of formal or informal talk related to decisions on issues of common concern that are not intended to require a binding decision by the local government

(Mansbridge *et al.*, 2012: 9).

Therefore, in this research, I focus the event (or actions) in these four arenas: (1), the binding decisions of the local regime (both in the policies itself and policy implementation); (2), activities which directly contribute to prepare for those binding decisions such as communicative processes like public propaganda, consulting, demonstrating, between actors (government villagers, village authorities, enterprises, planning professions, etc.) (3), informal communications which related to those binding decisions such as home visiting, street talking, persuading, (threats of) punishment,

discretion, disobedience, resistance, etc; and (4), arenas of both formal and informal communications related to decisions on issues of public concerns that are not intended for binding decision by the local government.

#### **4.4.4 Function of Deliberative System**

Admittedly, deliberations, deliberative cultures and institutions in the context of China are different to those of liberal democracies. However, deliberation fulfils three important functions in all governance systems (Mansbridge *et al.*, 2012), namely: the epistemic function, the ethical function, and political functions.

- *The epistemic function of deliberation and a deliberative system can generate preferences, opinions and “decisions that are appropriately informed by facts and logic and derive from substantive and meaningful consideration of relevant reason”.*
- *The ethical functions of deliberation and a deliberative system are to promote mutual respect for the citizens.*
- *The political functions of deliberation and a deliberative system are to promote an inclusive and egalitarian political process.*

(Mansbridge, 2015: 42)

The epistemic function is based on “substantive and meaningful consideration of relevant reasons”, and it could “collectively producing preferences, opinions understandings, and decisions” (*op. cit.*, 11). The ethical function of deliberation and deliberative system, is “to promote mutual respect to the citizens” (Mansbridge, 2015: 42). The deliberative system allows citizens and other actors are able to contribute meaningfully and substantively to the governance of their society as autonomous agents (*ibid.*; Dewey, 1954 [1927]); and Finally, the political function of deliberation and deliberative system is to contribute to an egalitarian and inclusive political process (Mansbridge, 2015: 42), through organizing a variety of inputs into the “liberation of the creative forces of society” and “the understanding of complex problems” (Niu and Wagenaar, 2018: Wagenaar, 2011). Beyond these functions, on the systems view, “when one deliberative site is overshadowed by (say) purely strategic talk aimed to move an issue onto the public agenda, another site could, in principle, provide the balance necessary for system-level deliberative outcomes” (Tang, 2018: 666).

Based on the basic concept of a deliberative system, the standards for a good deliberative system could be evaluated according to the Mansbridge's three overarching functions of democratic deliberation: the epistemic, ethical and political functions. However, in the following part, I will discuss that the examination could go beyond the deliberative system itself to a broader context.

#### **4.4.5 Deliberative Capacity Building**

As a complex and comprehensive development, the role of deliberation in urban village regeneration should be reviewed beyond a narrow focus on participatory projects as well as a physical and economic development project. According to Heller and Rao, (2018: 1): "building a deliberative system is a potential valuable way of addressing inequality". Meanwhile, to evaluate a deliberative system, the examination could go beyond the deliberative system itself. In this part, I will discuss how the conceptual scheme of deliberative capacity building could be used to understand the role of the deliberative system in a broader context in terms of the social and political development process of an authoritarian state (democratization as deliberative capacity building). This scheme could provide a supplementary scheme of Mansbridge's three overarching functions of democratic deliberation to understand the role of deliberation and deliberative system in a complex and comprehensive urban development.

Deliberative capacity is a concept introduced by John Dryzek (2009), allowing assessment of the completeness and effectiveness of a deliberative system in comparative settings. It could be used to review the democratization process of an authoritarian state like China and describes the future development of deliberative politics (Tang, 2014). Based on the deliberative system approach, deliberative-capacity-building is a process that includes the transmission from public space to empowered space, and the accountability of empowered space to public space, in order to produce authentic, inclusive and consequential deliberations. Deliberative-capacity-building is a talk-based system for political conflict resolution intended to provide just outcomes for all those affected (Tang, 2014: 120). It is "driven by the interrelations between different parts of a deliberative system and also can be driven by the interrelations between the different systems (Dryzek, 2012: 136)". Tang (2014) advances the concept of "deliberative capacity building" into a tangible analytical framework particularly in contemporary

China. This framework addresses three interrelated aspects and concerns about political and social practices in China. The first concern involves the growing impact of the diversified formats of deliberation in varying places in the public field. The second concern deals with the association existing between deliberative activities and decision-making. Furthermore, the third concern is the democratic values and practices of the participants with regard to their reasoning capabilities. She suggests that there are three aspects to analysis the deliberation system, namely *social*, *institutional*, and *participatory* capacity (Tang, 2014). This conceptual framework could provide a useful and significant perspective to review the process of urban village regeneration in terms of *social capacity*, *institutional capacity* and *participatory capacity* which are significant indicators for evaluating the standards of a deliberative system.

The first indicator is the social capacity of a deliberative system, which is rooted in the public sphere. Tang (2014: 112) defines this indicator as:

*the form of the (re)distribution of discourse power through various communicative processes in which citizens exchange opinions and form a consensus in public settings about issues that affect their community, society, or state.*

The social capacity is open to various communicative processes with a particular emphasis on the discourse power. At an operational level, this indicator means that both media discussion and everyday talk play significant roles by generating public political awareness, exchanging information and forming public opinions (see Chapters 7 and 8).

The second indicator is institutional capacity. At an operational level, this indicator emphasizes the effective institutional incorporation of communicative outcomes, including coordination between opinion and information expression channels, between policymaking and policy implementation, and between deliberative and non-deliberative activities (Tang, 2014). This indicator is significant particularly since it reflects the comparison between two of an institution's capacities (the village committee and the resident's committee, see Chapters 8 and 9).

The third indicator is participatory capacity. Tang (2014) defines this concept:

*Participatory capacity could transform individuals and groups from*

*deliberative actors – those who are involved in different sections of a deliberative system – to deliberative influences – those who can exert impacts on other participants’ opinions through reasoning and, in turn, orientate the deliberative outcome* (Tang, 2014: 126).

Therefore, the participatory capacity is a significant indicator to evaluate the changes of state-society relationships (see Chapters 7 and 8). At an operational level, it reflects the development of villagers’ capacity in terms of presenting and responding to reasons and arguments; and justifying a political decision.

To sum up, to evaluate a deliberative system, deliberative-capacity-building provides a supplementary scheme in addition to the Mansbridge’s three overarching functions of democratic deliberation. Therefore, role of deliberation in development the deliberation can contribute to form a deliberative system (see chapter 7), and improve the quality of the deliberative system. Meanwhile, the deliberation and deliberative system could also contribute to a complex and comprehensive social development through building the participatory capacity, institutional capacity, and social capacity.

#### **4.5 Analytical scheme**

This chapter discusses the different criteria. This section explains how these different evaluative criteria overlap. The aim of this thesis is to understand the role of deliberation as a political instrument for local administration and to rethink the role of the political-administrative system of urban village regeneration as a comprehensive and complex social development. These two main objectives concern the process, outcome and place of authoritarian deliberation in China’s complex governance system, meanwhile, these two objectives also lead to two tiers of evaluation: first, the evaluation of a “single deliberation”, such as a forum, discussion, or consultation; second, the exploration of the role of these deliberations from a “deliberative system” perspective.

In the first tier, single deliberation ‘moments’ such as a forum, meeting, or consultation will be examined through the scheme to identify the types and forms of deliberation. As explained in Section 4.3, his work distinguishes deliberations in real-world practice as Type one and Type two deliberations as well as formal and informal deliberations. Thus, the “deliberation moments” will be grouped into 4 categories (see Table 4.2).

**Table 4.2: Types and Forms of Deliberation**

	Type one deliberation	Type two deliberation
Formal deliberation	Type one in a formal setting	Type two in a formal setting
Informal deliberation	Type one in an informal setting	Type two in an informal setting

All of these 4 categories of deliberation ‘moments’ should be examined through the scheme that combines Type two (authenticity, inclusiveness and consequentiality) to evaluate the deliberative outcome and Type one (DQI) criteria to evaluate the quality of the deliberation process. On one hand, genuine deliberation should be authentic, inclusive and consequential. In the urban village regeneration, “authenticity” can avoid the “deliberation” which leads to coerciveness and is unable to exhibit reciprocity. “Inclusiveness” warrants that the deliberations and results are relevant to the right problems. ‘Consequentiality’ ensures that the deliberation and results are committed to actions. On the other hand, genuine deliberation should also have a deliberation process of relatively satisfactory quality so as to confirm to the procedural legitimacy of the policy process. Therefore, this research distinguishes the deliberations in the real-world practice by genuine deliberations and non-deliberative actions as well as by high- and low-quality deliberation. Thus, these “deliberation moments” will also be grouped into 4 categories (see Table 4.3).

**Table 4.3: Quality and Outcome of Deliberation**

	High quality	Low quality
Deliberative outcome	Deliberative outcome generated by high-quality processes.	Deliberative outcome generated by low-quality deliberations.
Non-deliberative outcome	Non-deliberative outcome generated by high-quality processes.	Non-deliberative outcome generated by low-quality processes

Therefore, the analytical scheme above not only specifies the different types of deliberation into different settings, but also provides a comprehensive perspective to understand the outcome and process of a single deliberation. Theoretically, for example, “high-quality deliberation generated by high quality process” can exist in informal

settings; meanwhile, a “Non-deliberative outcome generated by a low-quality process” can be identified in a formal setting.

In the second tier, as this research aims to understand the role of deliberations within the urban village regeneration, thus, the interpretations of the deliberation have to go beyond a single deliberation. Therefore, this research will explore the role of “deliberations” from a systemic perspective. According to Mansbridge (2015) a good deliberation or a good deliberative system should have epistemic, ethical and political functions. Thus, in this tier, the interpretation on these “deliberations” will focus on how these actions contribute to the epistemic, ethical and political functions. Theoretically, for example, “high-quality” deliberation can exist independently both at the level of individual acts and systemically, meanwhile, “low-quality deliberation” and “non-deliberative” action could have deliberative role in a deliberative system. Furthermore, this research will provide a comprehensive discussion on how deliberative is urban village regeneration as a political-administrative system. This evaluation is based on the concept of a deliberative system: a deliberative system should have five essential characteristics namely: public space, empowered space, transmission, accountability and decisiveness (Dryzek 2009); as well as the Mansbridge’s standards for a good deliberative system (three functions: the epistemic, ethical and political functions). Finally, to discuss the role of deliberation and deliberative system in a comprehensive and complex social development process, the scheme of deliberative-capacity-building (Tang, 2014) point out 3 indicators including social capacity, institutional capacity and participatory capacity. Therefore, deliberations might contribute to build a deliberative system, which not only has epistemic, ethical and political functions, but also contribute to the building of social capacity, institutional capacity and participatory capacity.

#### **4.6 Conclusion**

In this chapter, I have introduced the theoretical basis and developed the theoretical framework for this study. This chapter started by initial discussions around the concept and types of deliberation theories, which introduced the theoretical difference between the authoritarian context and the liberal democratic context. It drew attention to the deliberation practices in China within an authoritarian political context. It introduced China’s deliberative culture deriving from Confucianism and deliberative institutions in

both urban and village grassroots governance systems. This provides an initial theoretical understanding of China's deliberation, deliberative culture and deliberative intuitions from the perspective of authoritarian deliberation. Recent studies focus on the political functions of deliberation in China, the deliberation then acts as a technique of preference formation, decision-making and policy implementation. However, only limited research has been done to explore and understand the role of deliberation in a larger complex political-administrative system. This research adopts the deliberative system as a theoretical perspective. Based on the theoretical discussion, this chapter develops the analytical scheme of this research. It includes the boundaries of the system, the quality of deliberations and the standards of the deliberative system. Through the analytical scheme, this research answers the questions around: 1, in what ways, under what conditions and how well does deliberation fulfil these functions and 2, it also answers the question of how well deliberation fulfils its systematic functions in the context of authoritarian rule in China. The next chapter will outline the methodological issues in this study and show how the systematic approach is used as the theoretical framework.



## **Chapter Five: Design, Methodology and Methods**

### **5.1 Research aims and question**

This study adopts a systematic framework to investigate the deliberation processes involved in Chinese urban village regeneration and the governance of regenerated communities, as well as the integration of villagers into the urban fabric. This research was carried out in response to a political movement by China's central government – 'New-type Urbanization Plan 2014-2020'. The aim of this research is to explore the role and outcomes of democratic deliberation as a political instrument for local administrations in the urban village regeneration process. This research leads to the following research questions:

#### **1. On what grounds do local governments adopt democratic deliberation in the urban village regeneration practice?**

This question addresses the complexity of Chinese urban development and social-political changes from a macro perspective. It guides the readers to understand the social and political context of the urban village regeneration and democratic deliberation practices. It also provides the rationale of the urban village regeneration programme and the necessity of the deliberations. The discussions around this question not only focus on the urban village regeneration programmes and deliberation itself but also on the complexity of the Chinese political-administrative system.

#### **2. How does the process of democratic deliberation proceed in the process of urban village regeneration?**

- **What role do the village administration and democratic deliberation play in the regeneration process?**
- **What role do the "transferred village administration and democratic deliberation" play in the redeveloped urban village community?**

This question contains two sub-questions. It focuses on how local government directs the deliberation in the urban village regeneration programme. This question could help the reader to understand the design, development and the implementation of the deliberation and deliberative institutions in China. Assisted by the criteria of "types and forms of deliberation" (see Chapter 4.5 p.107); these two sub-questions guide the reader to understand the role of deliberation as a political instrument for local administration.

### **3. How does the village deliberative system fit into urban community governance?**

This question investigates the functions and challenges of the village governance system in the regenerated community. This question address how the village governance system has been integrated into the urban administration system and how these continuities exist in the new governance system in regenerated village communities.

### **4. What is the place of deliberation in the larger governance configuration around urban village regeneration?**

This question reviews the role and function of deliberation in an urban redevelopment project. Assisted by the deliberative system theoretical framework; this question explores the transformative effects of the developments.

### **5. Is authentic deliberation going on in authoritarian China?**

- **Do the interactions between stakeholders have the general characteristics of democratic deliberation?**
- **To what extent is this a form of authoritarian deliberation, or deliberation according to Chinese history and culture?**

This question provides an in-depth understanding of the deliberations in urban village regeneration. Following the examination through the criteria of “authenticity, inclusiveness and consequentiality” (see chapter 4.5) and the discussion of the Chinese deliberation culture, this research provides an understanding of the interactions between the stakeholders.

## **5.2 Methodology and research design**

This research adopts an in-depth case study design in urban village regeneration because of the following three considerations: “the type of research question posed”, “the extent of the control an investigator has over actual behavioural events”, and “the degree of focus on contemporary as opposed to historical events” (Yin, 1994, p. 23). Compared with other research strategies, the case study research design is an ideal approach to address “how” and “why” research questions can emphasize events that the investigator has little control over. Therefore, the case study design is particularly useful in carefully

reconstructing the process of deliberation among groups, the regeneration outcomes of stakeholders and how all this affects the integration of urban villagers (Yin, 1994). Meanwhile, this research uses detailed field research to inquire into deliberative practices regarding urban village regeneration to advance the theoretical concept of authoritarian deliberation. Therefore, a variety of evidence and data need to be collected and analysed, including interviews, documents and observations. The in-depth case study research is an effective approach to investigate the urban village regeneration as whole complex process.

An interpretivist strategy is selected in this research because it can provide a feasible framework, which helps researchers understand the meaning that actions embedded in the interactions and practices of urban village regeneration have for their protagonists. In the social sciences, interpretivism is particularly useful for studying the process and development of a phenomenon, the interaction of the actors that drive that process and the different meanings that these actors attach to the phenomenon (Wagenaar, 2011). Wagenaar, commenting on the interpretive explanations that underlie qualitative research, observes that, in social sciences interpretivist approaches focus on the “meaning of actions and institutions, based on precise observation and registration of data (Wagenaar, 2011: 11).” In this research, the arguments and claims are derived from the in-depth investigation of realities of deliberations around urban village regeneration. The stories told in this thesis describe what local authorities and other relevant actors do in real-life working environments. Therefore, as I will explain in later sections, led by the case study research design and interpretivist strategy, a series qualitative data will be collected and analysed to identify the targets, strategy, policies, institutions and practices of Chinese urban village regeneration as well as identifying the actors, institutions and functions of deliberation within Chinese urban village regeneration practices. Meanwhile, because this research aims to provide an in-depth understanding of the role and outcomes of democratic deliberation as a political instrument for local administrations in the urban village regeneration process, later sections will explain that the data analysis has proceeded using a combination of “grounded theory” (Charmaz, 2006) and “thematic analysis” (Boyatzis, 1998).

### 5.3 Choice of the cases

This research aims to explore the role and outcomes of democratic deliberation as a political instrument for local administrations in the urban village regeneration process under the New-type Urbanisation Plan (2014-2020). As justified in Chapter 2, this new policy focuses on the social integration of the villagers more than the physical development. Therefore, this research not only focuses on the deliberation in the physical regeneration process, but also focuses on how government functions in the regenerated urban village according to the New-Type Urbanization Planning (2014-2020); as well as how traditional rural deliberation institutions have changed and become integrated into the urban community governance system. As explained in Chapter 2, the whole process of the urban village regeneration programme is a long-lasting programme, which always takes more than three years to complete the physical regeneration. The political and social integrations are the later stages following the physical regeneration; therefore, the two selected cases have to cover all stages of the regeneration programme.

As explained before, this research aims to reconstruct the process of deliberation among groups, the outcomes for stakeholders and how this affects the integration of urban villagers (Yin, 1994). Therefore, the cases under study must have the following features:

- They must have completed physical redevelopment.
- The village committee has changed into a committee of the grassroots-level authority.
- The *hukou* of former urban villagers has changed into an urban *hukou*.

Meanwhile, the subject of this research is deliberation as the instrument of the urban village regeneration; therefore, the case also has to meet the following criteria:

- The urban village regeneration process could have generated conflicts between different stakeholders: such as local government, village committees, developers and residents.
- The interactions between the above stakeholders should be open to investigation.
- The conflicts have involved some form of democratic deliberation.
- Data on these cases and their conflicts should be accessible.

Within these guidelines, this researcher chose two urban village regeneration programs in Sunny District, Happy City. Happy City is the core city of the Central Province Urban Agglomeration, which has been recognized as one of the most important development

projects at the national level in the New-type Urbanisation Plan (2014-2020). Within this context, urban village regeneration in Happy City had been raised as the most important urbanization and development target of Central Province. Currently, there are around 100 urban villages in Happy City that will be regenerated by demolition and redevelopment within 2 years. Other cities in China were reported to have experienced illegal land seizures and forced evictions; however, the Happy City government encourages the traditional rural village deliberations to play a significant role in the decision-making process. Therefore, this research chose Happy City for the case study.

Village N is the first urban village regenerated by Sunny District, which provided a strong basis for further policy-making around urban village regeneration. In addition, as an experimental programme, the local government was patient and tolerant of long-term deliberations and discussions. Deliberation played an important role in this programme, which was more than just limiting conflict between citizens and government, since deliberation also contributed to building the consensus for local planning. The details of Village N will be introduced in the next chapter. More importantly, as the first experimental programme, the time limitation of this programme is much less stringent than the later cases, therefore, in this case, we can observe how various forms of deliberation function as the policy instruments.

Community T is a newly-built urban residential community aimed at reallocating the urban villagers from 3 former urban villages. The new Residents' committee was struggling because the new community has to administer the villagers from 3 villages. The committee is organized by the semi-district government, which consisted of key members (directors) from the 3 former villages and staff from the semi-district government. The leadership of the committee has one director who is appointed by the street office, and 3 deputy directors who are the former directors of the 3 villages. This arrangement could provide efficiency in terms of facilitating policy implementation. However, this arrangement also generated new challenges for the new community governance and, for this reason, is valuable to research. The details of Community T will be introduced in the next chapter. Meanwhile, this programme also introduced efficiency as a dominant value into the practice and discourse of governance, and subsequently into the deliberative process. In interviews with government officials, planners and village

leaders of the urban village regeneration programme, efficiency was the first priority. All actors aspired to complete the process as fast as they could, preferably before the deadline. Terms such as “time”, “speed” and “efficiency” frequently appeared in interviews, government documents and officials’ speeches, even in some cases which were not urgent at all. As will be explained in Chapter 6, this case is perfect for this research to observe deliberation under conditions of constraint, in this case the context of “efficiency as a priority”.

Two cases in one district can never reflect the breadth of urban village regeneration and grassroots governance practices all over China. As Chapter 2 and Chapter 3 discussed, the urban village regeneration is carried out in various ways by the local government and the grassroots level governance in the regenerated village differs according to their local contexts. These two cases are not supposed to represent the specific governing practices in most Chinese urban village regeneration as well as the regenerated village governance. However, this research aims to represent the role and outcomes of democratic deliberation as a political instrument for local administrations. Therefore, two in-depth case studies allows me to provide two models of the deliberation processes involved in Chinese urban village regeneration and the governance practices of regenerated communities, as well as the integration of villagers into the urban fabric. The possibility of generalization is not embodied in the number of the cases but in the representativeness of the case for the model of the deliberative system.

To sum up, these two cases provide two different deliberation trajectories in different social and political contexts. As stated in Chapter 2, in governance-by-project, management requires that large tasks are broken down into smaller operating procedures which are allocated to different people (or small groups). These persons or groups will have some autonomy to accomplish their task, but they are also held responsible for it. Therefore, by taking these two cases together, this research gains the overall insights into the central research questions concerning “how village deliberation proceeds in urban village regeneration and the governance of regenerated communities” within different social and political contexts.

## 5.4 Data Collection

Qualitative data was collected from the fieldwork, governmental policy documents and news reports. Data collection in fieldwork includes in-depth qualitative interviews with a wide sample of stakeholders in the regeneration process, ethnographic observation, and document analysis.

**Interviews:** Qualitative interviews were carried out to understand both the experiences and ideas of individuals in the mechanism of urban village regeneration. Discussions with various stakeholders from varying perspectives helped investigate those associations and contacts which could not be observed in a direct manner (Weiss, 1995). First of all, in this research, the qualitative interview was used to collect the data to develop detailed descriptions of the regeneration and participation process. As I discussed in Chapter 4, this research will adopt DQI to evaluate the quality of the deliberation process. Qualitative interview “can elicit the process antecedent to an outcome of interest” (Waiss, 1995: 9); and it can provide information on “what are the processes by which an event occurs” (ibid). Therefore, through the qualitative interview, this research collected the data about: 1, participants and forms of participation; 2, multiple perspectives on the level and the content of justification; 3, multiple perspectives on respect towards groups, demands and counterarguments; 4, multiple perspectives on constructive politics.

Meanwhile, since the justifications like “level of justification” and “good or bad argument” are subjective and based around the viewpoints of the participants themselves, it is crucial to learn how different participants interpret these events. Qualitative interviews not only enable investigating the interactions amongst the participants in the events but also enable access to the perceptions and responses of participants and onlookers to be undertaken. The detailed interpretation of one case or single event is helpful for justifying how good the argument is; and how much respect is given amongst the participants.

The participants include planners, government officers, landlords, tenants and developers. As explained above, the key informants were selected through snowballing beginning with the mayor who introduced the researcher to many officials who took charge, or at least participated, in these two cases. In particular, this helped to obtain access to the village authorities, and village authorities helped in obtaining access to the

villagers' representatives, Party members and other lower-level cadres. As the researcher lived in the regenerated villages for 3 months in total (6 weeks per community), there was direct access to the public including both landlords and tenants. The details of the interviewees and the interviews are summarized in Table 5.1.

**Table: 5.1: The domains and forms of participation<sup>18</sup>**

Domains of Participation	Community T	Village N
Master plan at district level	EC	EC
Planning at semi-district level	EC, CM	EC, CM
Planning of relocation community,	EC, CM, VC, VRC	EC, CM, VC, VRC
Details of architectural design proposal	EC, CM, VC, VRC	EC, CM, VC, VRC
Demolition agenda	CM, VC, VRC, <i>DV</i>	CM, VC, VRC, <i>DV</i>
Details of compensation	CM, VC, VRC, <i>DV</i>	CM, VC, VRC, <i>DV</i>
Relocation agenda	CM, VC, VRC, <i>DV</i>	CM, VC, VRC, <i>DV</i>
Election of the new community	VC, RC, <i>SDP</i>	VC, RC, <i>SDP</i>
Routine governance in the new community	RC, <i>SDP</i>	RC, <i>SDP</i>
Planning of government-acquired land	EC, CM	EC, CM
Collective property and economic management before redevelopment	VC	VC
Collective property and economic management after redevelopment	VC	<i>SDP</i>

**Observation and Participant Observation:** This method allows the observer to enter the group, and observe them with an appropriate distance; and allows the researchers to “immerse” themselves into the circumstance and context being observed to “comprehensively understand” a group or an event (Silverman, 2006: 68). During the

<sup>18</sup> In this table the following acronyms are used: ‘EC’ = Expert Consultation, ‘PC’ = Public Consultation, ‘CM’ = Coordination Meeting, ‘VC’ = Villagers’ Congress, ‘VRC’ = Villagers’ Representative Conference, ‘DV’ = Door-to-Door Visiting, ‘SDP’ = Stakeholders’ Direct Participation, ‘RC’ = Residents’ Congress. Meanwhile, “*Italic letters*” are used to distinguish the *informal deliberation* from the formal deliberation, for example “*DV*”.



data collection process, this method was used throughout the fieldwork. It helped give an understanding of the daily life of village landlords and migrants and provided a comprehensive context to understand the role of the grassroots-level routine governance.

As mentioned in Chapter 4, lower level government officials, particularly officials in the street offices and authorities in the residents' committees, were very open to communication. They invited the researcher to listen and join some of their meetings and small-group deliberations, which related to the community issues. In the end of 2016, I started 4 months field work in Sunny District. I rented an apartments in each case study area so that I could observe these two regenerated communities from a perspective of residents. These observations were carried out at different times of the day in the places where residents often gathered or have conversations, physical exercises and other activities. However, when I conducted the fieldwork, the indigenous residents always asked me some suspicious questions, such as: "where are you come from? Are you a new staff member of residents' committee? Are you working for the government?" When I introduced myself as a tenant in the community, they reduced their suspicious attitudes and allowed me to participate their conversations; meanwhile, I also participated in some consultation forums and other community events with other indigenous villagers. These experiences helped me to make a general sense the community life and participants' actions consciously or unconsciously. When I observed these events and activities, I wrote research diaries to record: how they participated in the community's events and forums; how they communicate with different actors; how they interact with the staff and local authorities; and so on. On the one hand, this method helped in understanding how deliberation works in grassroots-level governance and its place within the political-administrative system as a whole. On the other hand, this method helped me to make sense of their interpretation. For example, during the forum and discussion, through the observation of a participant's actions and words, I can better understand the objective terms like "good or bad arguments" "level of performance" from his/her perspective. Meanwhile, I observed and recorded the participants' way of speaking, their interactions, as well as their actions and reactions. Thus, this method helped me to make a better understanding of the interview data.

#### **Documents:**

The documents were analysed as the complements of qualitative interviews and observations. These documents not only reflected how local government and grassroots level regimes implemented the top-down policy instruction in their practical work according to their local context; they also contained much information on the outcomes, role and the process of the local deliberation. Examples from the government diaries included data like who participants were, key points for discussion, important arguments raised, decisions made, and pending actions that needed more discussion. Thus, these documents helped in evaluation on authenticity, inclusiveness, and consequentiality; these documents also contributed to the analysis of the following questions

- (1) Do speakers just forward demands or do they give reasons for their positions, and how sophisticated are such justifications?
- (2) Do speakers cast their justifications in terms of a conception of the common good or in terms of the narrow group or constituency interests?
- (3) Do speakers degrade, treat neutrally, or value groups that are to be helped?
- (4) Do speakers degrade, treat neutrally, value, or agree with demands from other speakers? Do speakers degrade, ignore, treat neutrally, value, or agree with counterarguments to their positions? Do speakers sit on their positions or submit alternative or mediating proposals?

In addition, relevant documents were chosen following the guidance of four dimensions according to Scott (1990): 'authenticity' for ensuring the 'unquestionable authoritative' source of the evidence; 'credibility' for looking at the producer of those documents and focuses on the accuracy; 'representativeness' for ascertaining the 'typicality' as well as the 'a typicality' associated with the data; and the 'meaningful documents' with its evidence understandable and apparent (Scott 1990: 6). The documents include 5 categories:

1. Local chronicles: district level and all of the villages.
2. Government working and meeting records: such as working diaries, meeting records, summaries and notes, officials' speeches and other related documents.
3. Plans: municipal and district level master plans and land-use plans from district level to village level were obtained.
4. Policies, rules, regulations and laws.
5. Local news: the news from 2007-2014 was searched through the internet, with the

focus on the events, officials' public speeches and any public resistance/protests against urban village regeneration in city Z.

These documents were accessed in three ways.

1. Some of them were accessed through the official government website, which is available to the public.
2. Some of them were accessed through the key informants who participated in the redevelopment project in the case.
3. Some of them were accessed through the Sunny District Government, and the Institute of City Planning and Design of Central Province, such as the detailed land plans and working diaries, for which access needed to be approved by the officials.

The national, provincial and municipal documents were collected and reviewed before the fieldwork; these documents provided an overall image to understand the rationales and political tasks of the urban village regeneration programme from the perspective of upper-level government. Meanwhile, the documents at district level could be used to interpret the roles of the Village N and Community T programmes; as well as to understand the social and political context of the programmes. The street and village level documents were collected during the fieldwork. These documents not only directly displayed how lower-level government and its agencies implement policies and command from their prior governments according to their local context and knowledge, but also their interactions with higher-level government in both policy-making and the policy implementation process.

## **5.5 Sampling**

The sampling and research design must be geared to the theory. Based on the positions they took and the interest groups they represented, the 53 interviewees were grouped into 3 groups: government officials and planners, village and community level staff, and the public. This is because the interviewees were key informants involved in these two regeneration programmes. Because of the difficulties of accessing the government officials, this research adopted snowball sampling to select the participants. Thus, the researcher was embedded in local social networks, indeed the mayor of Sunny District was a graduate of the same university and the same department as the researcher. This shared academic background enabled access to the mayor and, consequently, to other

officials and planners which facilitated access to the documents of village committees and residents' committees at grassroots level. During the fieldwork, the researcher rented an apartment in both Village N and Community T whereby the landlord provided access to the other residents.

First of all, this researcher approached government officials including district-level and street-level bureaucrats. This is because in the regeneration programme, this group of interviewees is in charge of making decisions and policies for these two regeneration programmes. They worked closely with grassroots-level authorities and, in some specific events, they also participated in the deliberations and communicated directly with the public. As the lower levels of the bureaucracy in China, local government directly links the society the state and occupies a strategic position in Chinese society (Zhou, 2007). Therefore, this group of informants can provide useful data to specify the policy implementation around the urban village regeneration and local governance programmes at the local level (see details in Appendix 1).

Second, although the policies are originally developed and issued by the government, the grassroots-level authorities have certain discretionary powers to implement these policies. As explained in Chapter 3, the two grassroots-level authorities (village committee in the rural village and residents' committee in the urban community) act as the platforms that linked the public with the government. Therefore, this group of informants can provide useful data to explore how the deliberation proceeds in the urban village regeneration. The details of the informants and the interviews are listed in Appendix 1.

The third group of interviewees is the residents of Village N and Community T. Most of them are the native villagers of the former urban village. They experienced all of the changes caused by the urban village regeneration. As introduced in previous chapters, their experiences could not only provide the data to examine the social and political integration according to the New-type Urbanization Plan 2014-2020, but also offer an insight on the deliberations involved in urban village regeneration (see details in Appendix 1).

## **5.6 Data Analysis**

The qualitative analysis approach was adopted in the case studies. First of all, thematic coding was used to identify the significant moments on which the research focuses as the first tier (Boyatzis, 1998). After that, grounded theory was used to construct the theoretical sense of China's deliberative system in the urban village regeneration and regenerated urban village community governance (Charmaz, 2011).

A comprehensive deductive analysis of the deliberative process is conducted using the conceptual scheme developed in Chapter 4. According to Boyatzis (1998), thematic analysis is a process for encoding qualitative information that requires a list of themes. As Boyatzis defines: "A theme is a pattern found in the information that at the minimum describes and organizes possible observations or at the maximum interprets aspects of the phenomenon (1998: vii)". Thematic analysis enables observers, scholars, or practitioners to use multiple types of data and information in a systematic manner, which increasing their sensitivity or accuracy in interpreting and understanding observations about people, events, situations, and organization. As Boyatzis (1998: 5) suggests that the thematic analysis could be used as:

1. A way of seeing.
2. A way of making sense out of seemingly unrelated material.
3. A way of analysing qualitative information.
4. A way of systematically observing a person, an interaction, a group, a situation, an organization, or a culture.
5. A way of converting qualitative information into quantitative data.

There are variety approaches to develop a thematic code, namely: "theory driven, prior data or prior research driven, and inductively" (Boyatzis, 1998, 5). The themes could be generated deductively from theory and prior research. This research adopted these approaches in combination. In the next part, I will explain the interaction between these modes of developing codes

### **5.6.1 Analytical scheme and coding practice**

The objective of this research is to evaluate the role of deliberation as a political instrument for local administration; and to rethink the role of the political-administrative system of urban village regeneration as a comprehensive and complex social

development. To meet this objective, the investigation should cover the process, outcome and place of authoritarian deliberation in China's complex governance system (see Chapter 4). At the beginning, each single deliberation such as a forum, meeting, or consultation will be examined through the scheme (see Chapter 4, Table 4.1) to identify the types and forms of deliberation, and evaluate the outcome and qualities of these deliberation (see Chapter 4, Table 4.2). Second, to explore the role of the "deliberative system" from the systemic perspective, the examination should go beyond a single deliberation. Based on the basic concept of a deliberative system from Dryzek (2009): public space, empowered space, transmission, accountability and decisiveness all need to be considered. Meanwhile, the standards for a good deliberation or a good deliberative system should have Mansbridge's three functions: the epistemic, ethical and political functions. Finally, to discuss the role of deliberation and the deliberative system in a comprehensive and complex social development process, the scheme of deliberative-capacity-building (Tang, 2014) points out three indicators including *social capacity*, *institutional capacity* and *participatory capacity* (see the explanation of the scheme in Chapter 4). The introduction above explains what the research should be analysing; the following discussion will turn to how different coding practices interact.

Qualitative data were analysed using a mixed-methods approach that combines the deductive and inductive approaches. The conceptual scheme is used to deductively interpret the data as the first step. As soon as the data analysis process begun, these criteria will be reviewed and rewritten. It is essential to check their compatibility with the raw information of this study. After this stage, this research proceed to detailed evaluation of the achievements and consequences of the urban village regeneration programme. Next, the inductive approach will be used to explore: "*how democratic deliberation could contribute to this result*" through the grounded theory method. The grounded theory is a method involves a "systematic process of theory-building" through the "constant comparative analysis", in order to explain "action, interaction or process on a topic" (Charmaz, 2011: 396). As this research aims to explore and understand the non-institutionalized practice of democratic deliberation in the urban village redevelopment, grounded theory is used as it can interpret and explain this social process when there is lack of an appropriate theory (Creswell, 2017). Through taking full account of

participants' interactions, actions and views, grounded theory generates explanations of "how people are experiencing an event, incident or a phenomenon".

Charmaz (2006) points out that, the grounded theory method offers greater data sensitivity because the data analysis will take place within the process of data collection, which enables the researcher to rectify the observations and interviews. Therefore, this research started inductive analysis as soon as the initial data was collected, because this arrangement allows the researcher to redirect the data collection in more sensitive ways. It should be noticed that the grounded theory method has two phases of coding, namely the initial coding and the focused coding. As soon as the data collection began, the initial coding take place. During the initial coding, an open approach is used by remaining open minded while exploring what is going to happen in the following process, thereby allowing the data collection to be redirected when new ideas are generated.

As will be identified in later chapters, the "deliberative system approach" was used in this study as a lens to interpret and understand the actors' actions systematically. This approach emphasises that the previous work in this area employs the concepts of "authoritarian deliberation" and a "deliberative system" in discussing Chinese deliberation practices. However, little consideration has been given to actors' purposes, needs and challenges, and to their interactions in the multi-scalar, "kaleidoscopic" Chinese governance system (Keane, 2017). In addition, each urban village has its own conditions and characteristics in terms of its geographical, political, social and economic situation. Thus, a two-stage data analysis was adopted: first of all, an inductive approach was adopted to understand and conceptualize the actors' actions as the first tier of the findings; after this stage, a systematic interpretation, thematic analysis was generated to regroup and interpret the findings according to the theoretical framework.

### **5.6.2 Deductive analysis**

The conceptual scheme is used to deductively interpret the "deliberative moments". This section will take the "forms of deliberation" as an example to explain how the conceptual scheme was used to interpret the deliberations. First of all, all of the deliberative moments during the regeneration programmes: public consultation, villagers' congress, villagers' representatives' conference, coordination meetings, residents' congress, door-

to-door visiting, stakeholders' direct participation and street talking were summarized. After that, according to the criteria (see Chapter 4), these deliberative moments were grouped into formal and informal deliberation:

- 1. The formal deliberation:** public consultation, villagers' congress, villagers' representatives' conference, coordination meetings and the residents' congress.
- 2. The informal deliberation:** door-to-door visiting, stakeholders' direct participation and street talking.

After this, the formal and informal deliberation practices identified from the two cases were mapped into different domains applicable to urban village regeneration as a whole (see Table 5.1). This table not only contributes to mapping the role of a "single deliberation" in the real-world practice within a larger complex political-administrative system; but also provides an overall picture of the deliberations in an urban village regeneration programme. In addition to the "forms of deliberation", the deductive analysis will also be applied to group the "single deliberative moments" into Type one and Type two deliberation; however, the detailed results are too extensive to display in this thesis. This is because the types of deliberation should be specified in every single deliberative moment (such as: 11/07/2005, village N, villagers' representatives' conference) rather than as a "kind" of deliberative moment (such as: villagers' representatives' conference).

The first step of deductive analysis establishes that the basis for this study is that it maps 4 categories of deliberation 'moments' which are repeated here from Chapter 4 (see Table 5.2). This provides an initial theoretical understanding of the deliberation practices in China within an authoritarian political context.

**Table 5.2: Types and Forms of Deliberation**

	Type one deliberation	Type two deliberation
Formal deliberation	Type one in a formal setting	Type two in a formal setting
Informal deliberation	Type one in an informal setting	Type two in an informal setting

Secondly, all of these 4 categories of deliberation 'moments' should be examined through the scheme that combines Type two (authenticity, inclusiveness and consequentiality)



criteria to evaluate the deliberative outcome and Type one (DQI) criteria, and map these deliberations in the real-world practice as genuine deliberations and non-deliberative actions as well as high-quality deliberations and low-quality deliberation (See Table 5.3).

**Table 5.3: Quality and Outcome of Deliberation**

	High quality	Low quality
Deliberative outcome	Deliberative outcome generated by high-quality processes.	Deliberative outcome generated by low-quality deliberations.
Non-deliberative outcome	Non-deliberative outcome generated by high-quality processes.	Non-deliberative outcome generated by low-quality processes.

As indicated above, the data collected by the interviews and documents were grouped together to find out the key facts of important events and moments. The DQI provided a series of significant indicators for understanding these events and moments. For example, in 16/03/2003, the Sunny District government arranged a meeting with the village leadership to listen their comments. Through the meeting records and the interviews with some participants, the facts of this meeting were uncovered, including: participants' information; participants' speeches, debates and the process of meetings; and the comments of this meeting from the participants and villagers. Assisted by the DQI, the data were grouped according to the following indicators: (1), as shown in meeting records, only village leaderships and government key officials are included; (2) the meeting records show that most of the speech and debate provided sufficient reasons, (3), according to the meeting records, most of the arguments are focused on how to make the project better, and according to the interviews, key participants agreed that they attempt to integrate the narrow groups' interests together; (4), According to the interviews, the participants agree that the atmosphere relatively friendly, and the debate is open-minded; (5) According to the records and interviews, each participants speak out the demands of their smaller groups first, and they attempted, but fail to compromise with others' interests; (6) According to interviews, some debates were intense, as showed in the records, the key debate points were highlighted; (7) According to the records, the only further action agreed was that both of the government and the village leadership

should go to public and listen to villagers' voice. Thus, compared with other events, the quality of the process and the outcome of the event could be understood.

After that, it is also important to explain how different evaluative criteria (*types and forms of deliberation* as well as *quality and outcome of deliberation*) overlap. First of all, the "meeting in 16/03/2003" has a formal meeting proceedings, and took place in a formal setting, thus, this event belongs to the "Type one and formal deliberation". Second, compared with other events, according to the conceptual scheme, this "deliberation" is relatively "*authentic, inclusive, and consequential*", and it could meet the standard of "deliberative outcome". Meanwhile, compared with other events, the process respected the different groups, demands and counterarguments and being open to the representatives. This means that this "deliberation" also has a high-quality process. Thus, the moment of "meeting in 16/03/2003" could be understood as "Type one and formal deliberation" which got a "deliberative outcome" on the "reallocation agenda" generated by a "high quality process".

Therefore, the deductive analysis above not only specifies the types and forms of deliberation, but it also maps them onto a larger, complex, political-administrative system with an evaluation of the outcome and process. This provides an initial theoretical understanding of the deliberation and deliberative system around urban village regeneration; however, more in-depth research should be done to discuss how deliberative the deliberation and the deliberative system around the urban village regeneration is. Therefore, an inductive analysis is necessary to explore and understand the non-institutionalized practice of democratic deliberation in urban village redevelopment, in particular, when a theory is not available in many cases (Creswell, 2017).

### **5.6.3 Inductive analysis**

As soon as the data collection had taken place, the initial data analysis began. Grounded theory allows researchers to remain open-minded while exploring new ideas emerging from the data rather than emanating from a pre-existing framework. Thus, the data was coded line-by-line. For example, an interview piece with a former village cadre: "*When we just moved to this community, the offensives [sic.] like high-altitude waste disposal are very*

*common, and triggered many potential risks*” was classified as **‘a typical offence with rural characteristics’** by a newspaper.” The code **“offence with rural characteristics”** was developed for this statement. This code was further developed in later interviews with villagers, officials and community staff. The actions like “throw garbage from high places”, “feeding chicken on a public staircase”, etc. were grouped into the code of “offence with rural characteristics”. Similarly, other initial codes were constantly developed such as “refuse to participate”, “personal credits”, and so on.

Subsequent to the initial coding, the focused coding began, which implies the use of the most considerable or frequently employed codes in order to “sift through large amounts of data” (Charmaz, 2006: 57). With regard to this stage, more conceptual, directed and chosen codes were figured out, whereas unanticipated concepts and ideas emerged via the comparison with one another of codes and data. For example, the observation “efficiency as the priority” was suggested to conceptualize the constraints of local government in urban village regeneration that were imposed by the regional government. More specific codes such as “propagation of pressure”, “vertical command”, “ideological propaganda”, and so on, were developed to compare two cases. Then, a category of “top priority in policy making” was developed. ‘Efficiency as the priority’ then explained the various tactics local government used in balancing “deliberative” and “authoritarian” tendencies in conflict solving. In our research, concepts such as “efficiency as the priority”, “rebuilding public trust”, “credits of personal authority”, “participation strike” and so on were developed to explain the subtle and sometimes contradictory practices encountered in the field.

Facing extensive amounts of memos and coding, the next step for the data analysis was to compare the data, leading towards making conjectures or hypotheses regarding the categories that compared both differences and similarities in the two empirical cases for further data collection. Four categories for comparison were identified, namely “conflict type”, “challenges and constraints”, “participatory process” and “role of the collective economy”. After the comparison, two themes regarding the power of the collective economy were generated. Through a comparison between the two cases, concepts such as “deliberation is a political instrument” and “deliberation is a part of the complex political-administrative system” were highlighted in the data analysis. This advanced the

theoretical analysis in “villagers to government relationship” and “deliberation to the political-administrative system”.

## 5.7 Accessibility and Research Ethics<sup>19</sup>

Access to officials is a perennial issue in empirical research on Chinese governance. In the hierarchical culture of public administration in China, officials are secure in their official role and have little inclination to talk to outsiders. Moreover, such talk carries risks that incautious statements to researchers might leak and result in sanctions. A defensive attitude is thus the safest strategy. This problem was addressed in several ways. First, the researcher was embedded in local social networks. The shared academic background of the mayor and the researcher has been mentioned above and helped in accessing other officials. In general, it was found that lower-level officials were open to discussing the practical obstacles to deliberation with the researcher who emphasized to all participants that, although a Party member, he did not represent any official entity or interest group in this research. The researcher had enrolled in the Party as an undergraduate student, however, this did not mean representing the Party’s position and interests. In fact, the researcher declared himself independent of any stakeholder in this fieldwork although the quotes in this thesis were to be shared with officials from local government who approved them. Regarding villagers, the decision to live for 3 months in a regenerated community was initially regarded by some villagers as making the researcher a government official; however, by emphasizing his independence, it was possible to gain the villagers’ trust. The purpose of this period of participant observation was to get first-hand access to the villagers’ experiences of deliberation within the regeneration process. In this way, the researcher was able to participate in various key meetings and talk to many villagers. It should be noted that, in order to protect participants’ identities, names and places have been changed.

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<sup>19</sup> This section is developed from a part of the author’s publication, see: Niu, P., & Wagenaar, H. (2018) The limits of authoritarian rule: policy making and deliberation in urban village regeneration in China. *Japanese Journal of Political Science*. 19(4), 678-693.

## **5.8 Conclusion and methodological significance**

This chapter has introduced the methodological approach, including the research questions, research methods, case selections and the methods, process and approach used for data collection, sampling and analysis. Two in-depth case studies were taken which aimed at generating conceptual ideas on the relationship between China's political-administrative system and deliberation, as well as the relationship between the public and the government. As identified in Chapter 4, the urban village regeneration could be reviewed as a part of China's complex political-administrative system. This research uses grounded theory (inductive analysis) and thematic analysis (deductive analysis) to interpret the policies as represented in these two cases in order to conceptualize China's deliberations and investigate the governance system as a whole.

Previous work in this area employed the concepts of "authoritarian deliberation" and "deliberative system" in discussing Chinese deliberation practices. However, little consideration has been given to actors' purposes, needs and challenges, and to their interactions in the multi-scalar Chinese governance system. In addition, each urban village has its particular conditions and characteristics in terms of its geographical, political, social and economic situation. Thus, this research adopts an inductive approach to understand and conceptualize the actors' actions thereby contributing to the literature on deliberative systems, as well as to deliberation and policy-making in China.

## **Chapter Six: The Introduction of Two Cases: Social and Political Background and Forms of Deliberation**

### **6.1 Introduction**

This chapter will present two cases of urban village regeneration in Sunny District. As I mentioned in the previous section, the policy context of different cases varies greatly from village to village. Therefore, in this chapter, I will specify the political-administrative context of these two cases. This chapter is aiming for introducing the background of these two cases: Village N and Community Q. This background information on the political and social context is important for understanding the later policy interpretation (Chapter 7 and Chapter 8). In section 6.2 I will introduce the political-administrative context of Sunny District, and relate it specifically to each of the cases. In Section 6.3, I will describe the key institutional innovation introduced by the local government, which is the creation of a 'Command Centre', the temporary headquarters for making decisions about demolition, compensation and reallocation for the most important programme. In this section, I will also explain the role of deliberative institute and instrument in the 'Command Centre'. In section 6.4, I will describe how the formal and informal democratic deliberations were adapted to enable Sunny District government to overcome these challenges by solving the conflicts of each. Finally, in section 6.5, I will introduce the key participants in the urban village regeneration programme.

### **6.2 The Political-Administrative Context of Urban Village Redevelopment**

As stated in chapter 2, since the end of the 1970s, China's local governments have prioritised large infrastructure projects to attract foreign and domestic investments. Since then, the main economic resources for local government have transformed from agricultural to large engineering projects on the one hand; on the other hand, local government also expects the industrial investment will contribute the cities in terms of revenues and job creation opportunities. To gain a competitive advantage over other cities, project management became the instrument of choice for local governments to create favourable conditions for such projects. Project management emerged from a generally shared entrepreneurial image of governance. In governance-by-project,

management requires that large tasks are broken down into smaller operating procedures which are allocated to different people (or small groups). These persons or groups will have some autonomy to accomplish their task, but they are also held responsible for it. This devolved operating structure is accompanied by a regime of intense monitoring. Project management also introduces efficiency as a dominant value into the practice and discourse of governance. In my interviews with government officials, planners and village leaders of the urban village regeneration programme, efficiency was the first priority. All actors aspired to complete the process as fast as they could, preferably before the deadline. Terms such as “time”, “speed” and “efficiency” frequently appeared in interviews, government documents and officials’ speeches, even in some cases which were not urgent at all. In the following chapters, I will illustrate how project-based governance operated through the 2006 and 2010 urban redevelopments in Sunny District.

### **6.2.1 Village N**

Village N is located in the centre of Sunny District and is one of the largest urban villages in the city centre. It is located in the bustling commercial area of the upper block, but for a long time in the two old villages of Village A and Village B, these are sub-units of Village N. Especially in the Old Village B, roads were poor, vehicles were impassable, drainage facilities were backward, and infrastructure was poor. There was sewage crossflow and garbage everywhere and these conditions seriously affected the productivity and life of villagers. In order to speed up the urban-rural integration instigated by Central Province, thoroughly change the long standing phenomenon of dirty disorder and improve the living condition of the villagers, Village N carried out the demolition and regeneration of the two old villages in two phases at the end of March and April in 2006 and 2007. Before the regeneration, Village N had an area of 2.1 square kilometres with a population of 1150, none of whom was engaged in agriculture. This is because the Village N holds a significant geographical advantage; it next to the District Government, which is the administrative and economic centre in Sunny District. Figure 1 (I will add it later) shows the map of old Village N, which was next to the district government. Because of this geographical advantage, the district government had acquired the agricultural acreage since 1980. Most of the villagers worked in industries and government branches, and some of the villagers run small businesses near or within their village, some of villagers worked

further outside. As an urban village, Village N was one of the smallest villages in terms of jurisdiction area in the Sunny District; however, it was the richest one, hosting abundant family-based enterprises, including convenience stores, hotels and even international trade.

As one of its most significant characteristics, Village N has an extremely strong collective economy, which holds commercial real estate and properties on a considerable scale within Sunny District. During the District's fast expansion, the site fell within its Central-administration. This brought huge difficulty for the district government to request building land in Village N, due to the superiority of the location and high commercial value of the land around it. Since the 1980s, the government requisitioned the farming land of Village N to develop the urban area; the villagers and village committee received a considerable amount of compensation and used it to develop their own commercial real estate programme. As the map shows, there were many self-developed market and commercial buildings within their old village. Unlike the illegal or informal settlements in other urban villages, the district government officially authorized these buildings as their collectively operated enterprises (a kind of village collective). These commercial developments provided abundant collective income and job opportunities for Village N as a corporate entity, as well as for individual indigenous villagers. The indigenous villagers could get the annual income from their bonus shares, which were higher than their previous agricultural income.

In contrast to the superiority of the geographical location and economic development, however, the old Village N (residential area) was regarded as run-down, chaotic and dirty. The physical characteristics of old Village N are similar with the other urban villages in China, such as back-to-back residential buildings, dirty and narrow streets, unmanaged retail activities on the streets and densely built residential buildings with poor quality. These run down and poor neighbourhoods had a serious negative impact on the image of Sunny District. In 2001, Sunny District initiated a political movement of administrative jurisdiction reform, which unified the urban governance system as "street-office to the residential community" see (chapter 3). Before that, Village N was under the administration of Town X; in 2001, the Sunny District government divided Town X into 4 Street offices, namely, CR street office, JY Road street office, XA Road street office, and IR



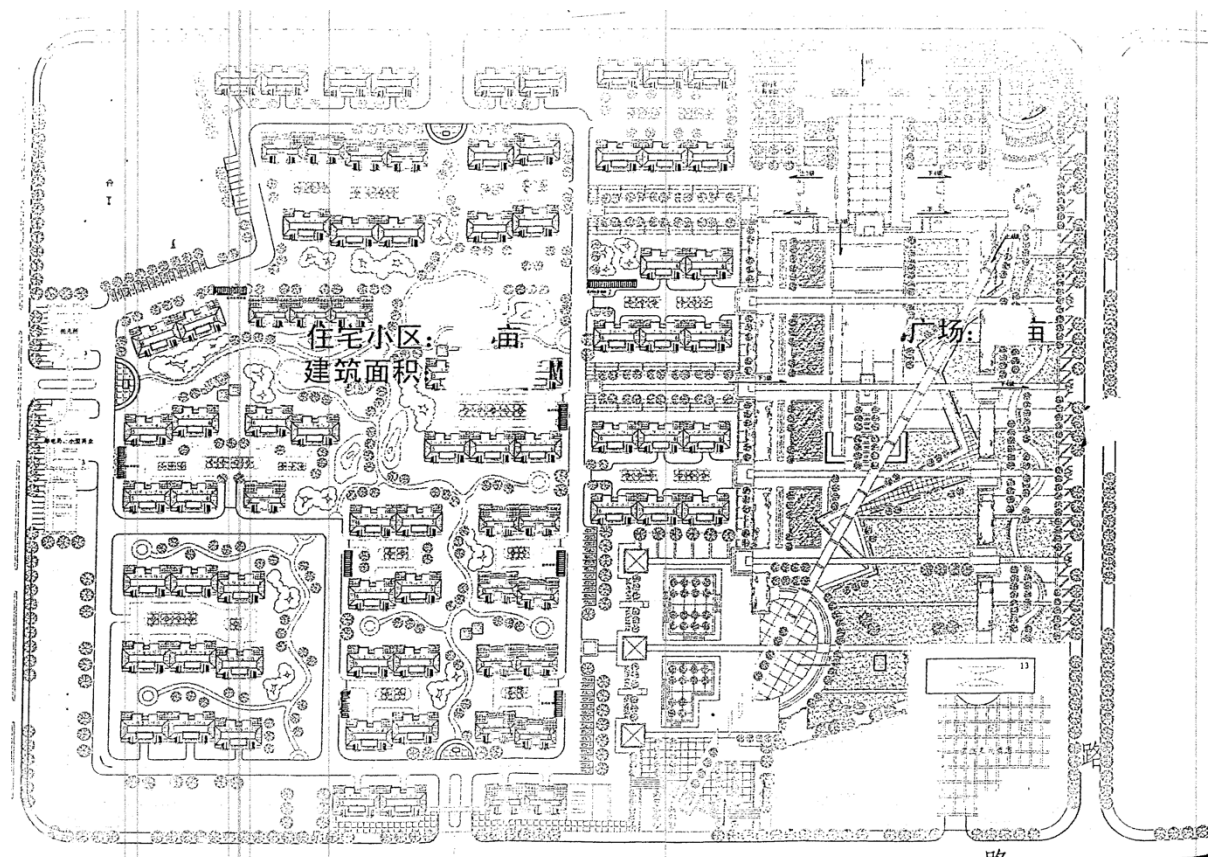
street office (industrial development zone). Since 2001, the government has attempted to integrate Village N under the administration of the District government as an urban community (see chapter 4). Therefore, since 2003, the District government has begun attempting to redevelop Village N by collaborating with the private developer. This is because the superiority of the geographical location of Village N might be profitable for the developer and generate considerable revenue for the government. Beyond that, the redevelopment project could improve the physical image of the city centre. However, as I will discuss later, because of strong public opposition and controversies over the reform plan, the Sunny District government completed the Village N regeneration land expropriation by 2007. Indeed, the government spent 3 years from 2003 persuading both the village authorities and the villagers to accept the regeneration agenda.

The physical changes of the urban village were significant. By April 2006, Old Village N1 (part of Village N) was demolished with very limited conflicts, which affected 175 households and more than 70,000 square metres of buildings. Since 2006, these 175 households in three villager groups in the Old Village built their newly regenerated residential community. The first villager group has built 10 new resettlement buildings with a floor area of 38000 square metres and has built 420 suites, while the second villager group has built five new resettlement buildings with a floor area of 28000 square metres, with a completed size of 312 suites. The third villager group built a new resettlement building with a floor area of 8800 square meters and 84 suites. The three groups of residents moved into the new houses in May 2007. In April 2007, Village N2 (another part of Village N) was demolished successfully: 242 houses and more than 90,000 square metres of buildings were demolished. The fourth villager group built 11 resettlement buildings with a floor area of 55000 square metres and built 454 suites, while the fifth villager group built eight resettlement buildings with a floor area of 52000 square metres and completed 448 suites. The two groups of demolition moved into the new buildings around June 2008. Beyond the physical changes, as I will discuss in this thesis later, process of urban village regeneration could reflect the process of political change in the state-led rural society under the background of modernization.

Compared with the compensation plan to be introduced later, the design of the community is relatively smooth and there is no significant conflict. The village committee

will build a resettlement housing in batches according to the former villager group as an administrative unit. The quantity, area, and size of the resettlement housing were calculated by each villager group. The designing of the residential community is undertaken by the developer. At the end of 2005, the developer consulted Village N Village Committee on the design plan for the resettlementCommunity T according to the compensation standard for demolition. The village committee hopes that the new community will satisfy the design plan as much as possible. This is because, in the demolishment and compensation process, the relationship between village committee and the villagers were getting worse (see Chapter 7). The village committee attempted to improve the relationship between villagers and them. Unlike the former urban village, this newly-built regenerated residential community is a clean, modern and gentrified urban residential community with various supporting facilities.

Figure 6.1: regenerated village N community



Source: data collected from fieldwork.

The new village settlement community is 18500 square metres, with 27 bluestone-paved roads and 117 street lamps inside this area, including 35 Wi-Fi activated street lamp. In addition, there is a 14500-square-metre green area with a variety of plants and trees, and

other urban facilities like 36 garbage bins, 8 sets of electronic monitoring equipment and 235 CCTV cameras. According to the final redevelopment plan, the Sunny District government forfeited the revenue from urban land value. This arrangement aims to protect both villagers' and developers' benefits to limit the conflict between villagers and the government. After the regeneration, Village N only reserved limited parts of the land for relocating their villagers; other parts were acquired by the government to build the central library, youth palace, Zuozhao Park, Aluminium-City Park, and other infrastructure. The regeneration project involved two residential sites with a total of 150000 square metres' floor area of the properties, including the 417 villagers' houses and village collective-owned 3 hotels, 2 restaurants, 1 supermarket and other mixed-use commercial buildings. Apart from the mixed-use commercial buildings, Village N also has hundreds of retail places next to the Central Road. These collective properties were rented and managed by the village committee for generating collective income, since the village committee functioned as a proprietor and was known as "collective economy manager". The village committee exemplifies a distinguishing type of "village-cooperative" in China. Village N, was typical of this type of village-cooperative, featuring firms owned, controlled, and operated by the indigenous villagers for their own benefit. Each adult villager is recognized as an individual member, who will enjoy equity shares, meanwhile, the participation of the decision making is through the basis of the one-member, one-vote principle. As the richest village and strongest village-cooperative in Sunny District, from 2002 to 2005, Village N had 10,928,3367 CNY (around 1,300,0000 GBP) total income, including 3,607,6757 CNY (around 400,0000 GBP) disposable income. The village committee distributed 1,367,6252 CNY (around 151,000 GBP) to indigenous villagers as welfare. According to this plan, after the redevelopment, the Village N should be transformed into an urban neighbourhood community in terms of geographical location, administrative relations, management methods and residents' lifestyles. However, as will be discussed in later chapters, the physical development cannot directly contribute to this transformation. the Village N Committee was revoked in the governance system, their rural governance system was also apparently terminated in the regenerated urban village. The urban villages and villagers are far from integrated into the urban society, and the integration the regenerated village into the urban governance system is far from complete.

### **6.2.2 Community T**

As I stated in Chapter 5, since the great economic crisis of 2008 Sunny District faces a significant challenge of economic decline. Before the economic crisis, the economic backbone of Sunny District was the aluminium industry. The economic crisis forced Sunny District government to find another economic growth point. Based on the former Sunny District Airport, Sunny District government decided to develop the aircraft factories and regenerate the regional airport. The challenge for Sunny District was to create enough vacant land to do this. Based on the industrial development zone, in late 2010 to early 2011, supported by the provincial government, the district government made a redevelopment plan around the old Sunny District Airport. According to the Plan, before the end of 2013, Sunny District should expropriate the 5.3 square kilometres of land around the airport. Before the end of 2020, Sunny District will develop a 22.3-square-kilometres aircraft industry development zone. Meanwhile, the Happy City Municipal Government and the H Provincial Government put forward an air-industry development plan. Both Happy City Municipal Government and H Provincial Government required Sunny District to speed up the land expropriation in order to set up the newly planned aircraft industrial development zone. The district government was acutely aware that if it could not finish this task within an agreed period – in this case before the end of 2013 - they would lose this development opportunity.

Making the desired infrastructure investment possible required many efforts: to acquire a large tract of land to build up the factories and the local airports; to release the land with minimum land-transfer fees; to facilitate development through tax advantages, improved water and energy supply; and to create better transport and housing infrastructure. To provide land for the aircraft enterprises to build their factories and the local airport, it was necessary for Sunny District to acquire all urban villages within the industrial development zone. This included the rural land of the villages around the designated area. The first important challenge of expropriating villages' land is to reallocate and compensate the villagers, to persuade them to accept the agenda. The Provincial government put a great deal of pressure upon the Sunny District government to complete the land acquisition process as fast as possible. According to government meeting records, the Mayor of the district commanded that: "We need to strictly adhere to the time schedule, to ensure that the demolition work in our district will be completed

in 2013. This applies in particular to urban village regeneration projects. The relocation of villagers, the demolition of the old village and other work need to speed up. These works should as much as possible be finished ahead of schedule.”

In this context, the flagship programme for Sunny District was to relocate the three urban villages within the industrial development zone into a newly-planned urban residential community. Unlike Village N, these villages did not have a superior geographical location; instead, because these villages were located far from the city centre, it was difficult for the government to find a developer to invest in this project. In addition, these villages had low density, and some villagers even had some space for vegetable cultivation. Therefore, the government decided to self-fund the redevelopment project, because a redevelopment and relocation project could create considerable space for the government to realise to the aircraft-related industries. In contrast to Village N, these three villages, namely, Village N1, Village N2, and Village N3 were relatively small and economically less developed. None of them owned a strong enough collective economy to provide a better welfare package for their villagers than the government. Therefore, the redevelopment agenda did not seem problematic at the very beginning. According to the agenda, these three villages were demolished on 31st May 2012; after the demolition, the villagers were relocated to the newly-built community, which has 102 residential buildings with 3094 apartment and 145 retail shops for 4388 residents from the three villages. As stated before, the task of the government was to create more space within a limited time, therefore, the government took “promoting efficiency” as their first priority during the implementation process. The detail will be presented in later sections.

### **6.3 Policy innovation**

To promote efficiency, the local government employed various institutional innovations. One of the most important innovations was the creation of a ‘Command Centre’, the temporary headquarters for making decisions about demolition, compensation and relocation for the most important programme. As I will explain later, the command centre is a flexible political institution that can adjust its political course as needed, either through authoritarian vertical commands or through democratic deliberations and discussions.

### **6.3.1 Creation of the 'Command Centre'**

The 'command centre' was generated from the 'military command system', aiming at centralizing the power and resources to accomplish their political task in the most effective way. This is because, as a project-driven state, China's government (both central and local) will set up several key projects as the tasks for the year. In this case, the key task for 2006 in Sunny District was to complete the land acquisition of Village N smoothly, and the key task of the working year 2010-2011 in Sunny District was to complete all the rural land acquisition within the district. Functionally, the 'command centre' is an effective platform for key participants to reach a consensus and unify them through ideology, communication or even sometimes, through a vertical authoritarian command. Members of the Command Centre were selected by the district government and consist of representatives of relevant departments, street (township) level government, village leaders, planning experts, and design organizations (the public sector, Tongji University Planning Institute for the Master plan; and in the private sector, Yaxing company, for community development). As the land acquisition programme is one of the most important tasks of the District government, which always generates complicated conflict between different parties, the Sunny District government selected one of the deputy mayors of the district as the head of the command centre. The Command Centre exemplifies the permanent tension between authoritarian rule and the decentred, deliberative decision-making process that characterizes the village regeneration process in all its phases. Caught between awareness that the process of demolition, compensation, and relocation is exceedingly complicated, the all-important dictat of efficiency, and the requirement of at least a minimum degree of legitimacy, the Command Centre is structured as a platform for collaboration and work coordination. Therefore, as I will discuss later, the command centre is a flexible political institution that can adjust its political course as needed, either through authoritarian vertical commands or through democratic deliberations and discussions.

It is in the working relationships between these parties (the District government, the Command Centre, and, as we will see, the Village Committee) that the ambivalences of the intricately and densely scaled Chinese government system - and the processes of deliberation that are inscribed in, and shaped by, its rules, procedures and operating routines - come to the fore (Bächtiger et al., 2010, 48). First, in principle, the relationship

between the members of the Command Centre and District government is cooperative rather than subordinate. Although the District government can in principle overrule the Command Centre, the broad composition of the latter, meant to bestow legitimacy on the actions of government, suggest that the force of optimal information and the better argument should resolves conflicts between members. Yet, as we will see, the District Government steers the Command Centre's activities by imposing a performance and monitoring regime upon it. Second, because of its central and ambiguous role in the regeneration process and the deliberation, negotiation and bargaining with other parties with which it engages, we need to give special attention to the position of the village committee. According to China's constitution, the villages and village committees are self-governed organizations. They are not subordinate branches of any level of government. The village leadership (both the head of the Village Committee and the secretary of Village Party Branch) is democratically elected by the villagers, rather than directly nominated by the upper level of government. On the other hand, to ensure the leadership of the Party, the hierarchically higher township Party branch retains the power of dismissing the secretary of the Village Party Branch on grounds of Party discipline. However, the hierarchically lower villagers also have the power of dismissing both the secretary of the Village Party Branch and director of the Village Committee through voting in the Village Congress. Under this institutional arrangement, the Village Committee cannot favour one group over another; instead, it occupies an uneasy position between the interests of government and villagers. Therefore, the role of the Village Committee is inherently ambiguous: it represents the government when implementing policies in the village, and it represents the villagers to protect and argue for their interests. In the larger governance configuration, the Village Committee is expected to act as the mediator between the government and villagers for the purpose of promoting efficiency.

### **6.3.2 Deliberation instrument in the Command Centre**

To promote the efficient integration of power and resources, the most important task is building consensus the thought of the key participants. To achieve this, the command centre decided to hold two meetings each working day: one in the morning (7:30-8:30), one in the evening (18:00-19:00). Every morning, the members of the command centre led the meeting; every key participant of the programme had to attend the meeting. During the morning meeting, they would discuss and explain the working plan and tasks,

so that each participant could have a whole picture of the work. During the morning meeting, each participant could have the chance to exchange their opinions and to understand how to deliver the tasks and the rationales behind these tasks. After the each day's work, key participants would report their work at the evening meeting. The evening meetings were also led by the members of the Command Centre, and every key participant had to attend the meeting to report on their work and other related issues. Unlike the morning meeting, one of the most important functions of the evening meeting was to report to the issues of the implementation process. In particular, these key participants could deliver the villagers' concerns and arguments to the evening meeting, and both members of the Command Centre and other key participants could collectively discuss these issues and find solutions or give feedback to villagers effectively.

The reports for the evening meeting is not a very formal style report: it was hand-written, simply listing requests without any detailed explanation. According to A village leader: "we do not need to make a formal report, the important thing is that this report would be discussed and responded to at the evening meeting. All people know each other's work quite well, so we do not need to explain each point in detail, they can make sense of it. If there were issues raised, I can give a further explanation [...] the most important point is these issues came from common villagers, and their concerns were important." This quotation reflects the deliberative functions of the evening meetings: the evening meeting is an important platform for the decision maker find out about public concerns. In addition, the morning meeting and evening meeting provide platforms for each participant to understand the whole project. According to the former director of the commend centre: "we have two key instruments to ensure every task is delivered: the first one is the meetings, the other is public propaganda [...] we had meetings every morning and evening, all key participants would report their issues and plans to everyone in the room. Every meeting will be an important experience for everyone: the meeting helps everyone to understand each other's individual tasks and the blue print, the understanding generates the consensus, and the consensus generates efficiency." This arrangement is rooted in the Chinese deliberative tradition on conflict solving. According to He (2014), In the course of addressing conflict and disagreement, Chinese people usually adopt these kinds of terms, for example, "*bai shi shi, jiang dao li*", which is presenting the facts and the rationales things out. In a case where one party has a feeling



of unfairness or injustice from the other party, one usually appeals to “*shuo li*”, which is “making an argument”. Usually, two conflicting parties seek out a senior/authority and ask them for “*pingli*”, which indicates that all of them are presenting their arguments and opinions, and the senior/authority will make an arbitration according to “li (理)” (principle). The command centre offer them a platform. This will be discussed in detail through the case studies in later chapters.

### **6.3.3 Summary**

As explained above, although the ‘command centre’ is generated from the ‘military command system’, it reflects the Chinese consultative and deliberative tradition. Therefore, the ‘command centre’ acts as a deliberative institution through which participants can discuss the issues and affairs around the regeneration programme. Functionally, it was the place for decision-makers to listen and discuss the concerns and willingness of the public. In addition, it was an institution where public opinion was able to challenge decision makers’ policies and decisions.

## **6.4 Formal and informal deliberation at the local level**

Beside the ‘command centre’, the other deliberative institutions at the grassroots level were also crucial. These grassroots institutions such as villagers’ congress and villagers’ representative conferences link the public with the higher-level deliberative institutions like the ‘command centre’. At the grassroots level, the forms of deliberation are various, and include formal and informal deliberation. Beside the decision-making, the district government adopted ‘public deliberation’ aimed at limiting conflict between citizen and government; thus public deliberation becomes increasingly important in terms of building a consensus as well. In this section, I will introduce the formal and informal democratic deliberations, which will provide the background for later analysis of how formal and informal deliberations were used to facilitate Sunny District government in overcoming these challenges by solving the conflicts associated with each.

### **6.4.1 Definitions of formal and informal deliberation**

The new policy of New-type urbanization significantly promotes the “human-oriented” principle through political reform: public participation in planning has been enhanced, with the aim of respecting the willingness of local residents as well as limiting the conflict between stakeholders. As one of the most important participation channels, a series of

forms of democratic deliberation had evolved in urban governance practices. Deliberation can facilitate the development of human-oriented policy because, in the deliberation process, participants make decisions not simply by counting what preferences have greater numerical support, but “by determining which proposals the collective agrees are supported by the best reasons” (Young 2000: 23). In recent decades, deliberation practices have been implemented accompanying the Party’s discourse: “power must be supervised by the people and exercised transparently and called for “enriching democratic forms to show the advantages of China’s socialist deliberative democracy (Tang and Dryzek, 2014: 110)” These practices raised a theoretical discussion around deliberation in an authoritarian setting. As I explained in Chapter 4, ‘informal’ and ‘unstructured’ deliberations are widely observed in China’s local governance practices. In China, democratic deliberation in urban village regeneration has developed from previous traditional village deliberation practices. This evolution can be seen as early as the village deliberative forums in the 1980s: a village committee would hold deliberation forums where decision-makers (village officials) would come together to discuss village affairs with villagers, and facilitate a give-and-take decision-making process. It should be declared that as the Chinese traditional rural village administration relies on a ‘person-network’ based on the authority and credibility of the village cadre, deliberation on village affairs always involve many informal actions like street talking and door-to-door visiting (Tang, 2015). The role of ‘unstructured’ and ‘informal’ deliberation should be equally investigated in the urban village regeneration process. This is because these actions could widen citizen participation by involving a larger range of interest groups and various channels to exchange opinions (Tang, 2014).

As this research focuses on the Chinese case, I will borrow the term ‘informal deliberation’ (Tang, 2015) to describe the various communicative processes between government officials, experts and the public. The only difference between these actions and ‘formal’ actions is ‘the setting’: these actions are always treated as informal by scholars because such deliberations have always happened in an informal setting, such as street talking or door-to-door visits. Based on Dryzek (1996:1), ‘the deliberation process should be tolerance, which allows argument, rhetoric, humour, emotion, testimony or storytelling, and gossip. The only condition for authentic deliberation is then the requirement that communication induces reflection upon preferences in non-coercive fashion’ (p.1). These

informal deliberations should be respected equally with government-led formal deliberations, as the forms of deliberation should be various and flexible. In addition, these actions are led by government or village/community authorities. That is, these actions are 'formally' on behalf of the officials' legitimacy, authority and credibility. Therefore, the term 'informal public deliberation' will be used to describe deliberation beyond institutional process and designed forums. As informal deliberation practices are very flexible and difficult to for western scholar to make sense of if they do not have enough Chinese knowledge, I will introduce them with the case in later sections. The local government and village/community authorities lead these actions, aiming to widen participation and facilitate negotiation by involving a larger range of grassroots groups and non-elite interest groups to deliver their opinions (Tang, 2015). This could help local government and planners to improve their proposal by including local knowledge. In the following sections, I will introduce how democratic deliberation (both formal and informal actions) has been used as a tool to facilitate the implementation of the New-type Urbanization Plan 2014-2020 through the lens of urban village regeneration.

#### **6.4.2 'Formal deliberation'**

Based on the theoretical definition above, I identified the following 'formal deliberations' which happened in both Village N and Community T Cases.

**Expert Consultation:** This always happens at the plan-making level. The planning system has been greatly opening up in China, and currently, the government has adopted competition between external institutions instead of having internal local planning bureaus make the plan. Thus, the plan-making process has opened up to professional organizations. To select the 'best proposal' for local development, 'expert consultation' becomes increasingly important. The 'expert consultation' serves as the 'counsellor' to provide suggestions and countermeasures for the government: they not only support local government to make a better choice in designing competitions, but also support the selected planning institution to amending its planning proposal. In addition, 'expert consultation' is often used to add credibility to the proposed plan and urban policy, rather than simply enhancing democratic authenticity.

**Public Consultation:** Public consultation is a method for the government to publicise their proposed local policy, plan, and the particular decision to ordinary people, and it is also a channel to collect public opinion. Sometimes, it will take place through the media, such as the internet, newspapers, and TV programmes. The government uses the media to publish the detailed information about their proposal and call for feedback from the public. However, it is becoming more procedural rather than substantial in urban regeneration practices. This is because the regeneration programme is dominated by the stakeholders, especially those who owned the resources, such as landlords and developers.

**Villagers' Congress:** The villagers' congress is a branch of The People's Congress in the rural-governance system. It is the lowest level in the hierarchical electoral system in China, it directly elects the leadership by electors. It is also the highest decision-making institution in the village: every important decision is made through direct vote at the Villagers' Congress. According to He (2005): "the village meeting is an important institution that gives villagers an opportunity to voice their opinions before major decisions are made. According to the Organic Law of Village Committee, village meetings should involve all villagers aged 18 or above. The meeting should have a minimum quorum of half of those eligible to attend or, alternatively, two thirds of the household representatives of the village. The meeting reviews the committee's work at least once a year. It is called by the village committee, but can also be summoned if demanded by at least one tenth of villagers. (2005: 209)"

**Villagers' Representatives Conference:** It should be noticed that the Villagers' Representative Conference is different from the household representatives congress in the Villagers' Congress. Villagers' representatives are elected by and from the household representatives in different villager groups. In each villager group, there is a number of representatives to represent a number of households. The Villagers' Representative Conference is central to obtaining public participation in urban village regeneration. It is an important element in connecting with the native villagers. This conference always happens prior to the Villagers' Congress. The leadership of the village will use this institution to collect the first round of opinion from the villagers' representatives. It will also ask villagers' representatives to collect villagers' opinions and bring these opinions

back to the conference as a second round of opinion gathering. It can help the decision makers to amend their proposals and agenda.

**Coordination Meeting:** This is a kind of democratic roundtable meeting held by small groups of people to negotiate some proposal or agenda. The process of the meeting is always confidential; only direct stakeholders can participate in it. Where some specific issues in the programme only affect a small number of stakeholders, this small group is identified as direct stakeholders. Normally, in an urban regeneration project, there is a series of coordination meetings held by different people.

**Residents' Congress:** This directly elects the leadership of the community. It is different from the villagers' congress in that electors in the urban community do not have the right to nominate electoral candidates. The electoral candidates must be worked out through "discussion and consultation" the upper level of government. In addition, the decision-making function of the Residents' Congress is also limited and symbolic. The most important decision will be made at the upper level of the Peoples' Congress and local government; the decision will be 'informed' rather than 'consulted on'.

#### **6.4.3 'Informal deliberation'**

Based on the theoretical definition above, I identified the following 'informal deliberations' which happened in the case of both Village N and Community T.

**Door-to-Door Visit:** This is an informal technique for the participants to persuade others. It is a kind of home visit. It is particularly useful for the government or the leader of the village to resolve issues concerning an individual opponent or small groups of opponents.

**Stakeholders' Direct Participation:** This is not a formal way for the decision maker to directly collect opinions and demands from the most important stakeholders. It might involve a series of forms such as through telephone, street-talking and roundtable discussion. The most important element is that the communications between the participants are always confidential and exclude outsiders. It always happens before a formal coordination meeting.

**Street talking:** This is different from the other kinds of participation. Street talking is mainly used as a pilot for a community-level regime to collect opinions on some issues.

Sometimes, the regime might use this method to generate some social pressure by spreading gossip.

#### 6.4.4 Summary

In this section, I introduced the formal and informal deliberation practices identified from two cases. The domains and forms of participation were summarized as the table below.

**Table 6.1 Domains and Forms of Participation<sup>20</sup>**

Domains of Participation	Community T	Village N
Master plan at district level	EC	EC
Planning at street office level	EC, CM	EC, CM
Planning of relocation community,	EC, CM, VC, VRC	EC, CM, VC, VRC
Details of architectural design proposal	EC, CM, VC, VRC	EC, CM, VC, VRC
Demolition agenda	CM, VC, VRC, <i>DV</i>	CM, VC, VRC, <i>DV</i>
Details of compensation	CM, VC, VRC, <i>DV</i>	CM, VC, VRC, <i>DV</i>
Relocation agenda	CM, VC, VRC, <i>DV</i>	CM, VC, VRC, <i>DV</i>
Election of the new community	VC, RC, <i>SDP</i>	VC, RC, <i>SDP</i>
Routine governance in new community	RC, <i>SDP</i>	RC, <i>SDP</i>
Planning of government acquired land	EC, CM	EC, CM
Collective property and economy management before redevelopment	VC	VC
Collective property and economy management after redevelopment	VC	<i>SDP</i>

This table not only contributes to map the role of a “single deliberation” in the real-world practice in a larger complex political-administrative system; but also provides an overall picture of the deliberations in urban village regeneration programme. As we can observed, through these two cases as lenses, the deliberations involve almost every

<sup>20</sup>In this table the following acronyms will be used: ‘EC’ = Expert Consultation, ‘PC’ = Public Consultation, ‘CM’ = Coordination Meeting, ‘VC’ = Villagers’ Congress, ‘VRC’ = Villagers’ Representative Conference, ‘DV’ = Door-to-Door Visiting, ‘SDP’ = Stakeholders’ Direct Participation, ‘RC’ = Residents’ Congress. These forms of participation include both formal deliberation and informal deliberations.

domain of policy and decision making process in the urban village regeneration programme. In particular, the deliberation organized by the village authority like Villagers' Congress, Villagers' Representative Conference, and etc played crucial roles in the process of decision making and policy implementation around urban village regeneration. In majority domains, informal consultations and deliberations are used as important instruments by both village collectives and local governments in decision making; in particular, around the decisions made by village collectives and community level. In some areas, informal consultations are used as an important means by both village collectives and governments; especially village collectives. Clearly, both formal and informal deliberation practices are deliberative actions and play considerable roles from decision-making to implementation. These characteristics above are typical in these two cases, however, two village adopted different approaches in the decision-making process around collective property and economy management after redevelopment. In later chapters, I will explain how local authority adopt a particular form of the deliberation in real-world practice. Meanwhile, in later chapters, I will also explain the democratic deliberation in China's urban development is different from Western democratic political systems. Public deliberation and other participations are political instruments, which do more than labelling and ensuring legitimacy for the proposed plan. Instead, in urban regeneration practice at Sunny District, local government adopted 'public deliberation' with the aim of limiting conflict between citizens and government. Public deliberation becomes increasingly important in terms of building a consensus for local planning.

## **6.5 Key participants:**

The above sections introduced the forms of grassroots level deliberations, which provide the context for understanding the roles of different parties in the deliberation. This section continues by introducing background information around the key participants in urban village regeneration. These parties had diverse backgrounds namely power, capacities and financial resources. As I will explain in later chapters, these differences significantly affect their strategies, appeals and final achievements.

### **6.5.1 District government**

Based on the political movement of “constructing a harmonious society” raised by the CCP central committee and central government, the idea of “harmony” is under the local government’s stress when it comes to the management of the key concerns in the urban village regeneration. The focus had more significance in the year 2006 as compared to the early 2010s. Furthermore, as set out in Chapter 3, village autonomy is in accordance with the self-governance system, including direct elections to the committee of villagers as well as the collective decision-making system. However, when economic development is concerned, there conflicts still exist between local development and village property acquisition. Moreover, the issues of the way of maintaining social stability whilst enhancing the performance of government services have emerged. This leads to the issue of the way of controlling and mobilizing the extensive population in the village. Accordingly, the Z municipal government implemented a programme named as “harmonious removal,” establishing a guideline with regard to relocating and removing the villagers when there is the urban village regrowth. Urban village regeneration in Sunny District began in 2006, later than in most cities in China, or even other districts in Happy City. Aiming to limit public resistance, to decrease financial pressure and to speed up the acquisition process, the municipal government decided to limit the scale of apartment compensation to a fixed, transparent and non-negotiable formula, which was to 1.7 times the authorized legal size of a rural homestead. In 2011, after surveying the legal rural homestead size<sup>21</sup>, the district government decided to fix this figure at 258 m<sup>2</sup> per homestead. In principle, the compensation apartments would be built at their original location. To encourage villagers to accept the various development proposals, the village committee acted as a mediator to help the villagers to arrive at an acceptable deal with government and developers.

### **6.5.2 Developer**

A developer only played a role in the case of Village N. The developer in the Village N case was Henan Jianye-Yaxing real estate cooperative. The full redevelopment project of this region was constructed by the private developer, including People’s Square, Sunny District Library, People’s Park and New Village N Community. Specifically, in the case of

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<sup>21</sup> Rural homestead comprises the land on which rural residents have constructed their house.



Village N, the district government developed a model of “zero investment and zero profit”. In the model, all (re)development projects within this area were issued to one developer. The local government would not request any fees for issuing the development permission. In return, the developer was responsible for developing a set of public infrastructure facilities, including roads, a square, a park and a library. The land expropriation and the compensation for villagers were agreed cooperatively: Sunny District government would negotiate with village committee and villagers, compensate them in advance and sign the compensation contract; developer have to pay the money of compensation back to the government later. That is, the developer did not closely engaged with villagers. The villagers’ committee consisted not only of the organizer but also the implementer in the relocation mechanism. The villagers were encouraged to participate in the deliberations in selecting the resettlement location, together with project planning and quality supervision as well as selecting house styles. The government held the responsibility to construct and negotiate with the committee of villagers.

The first challenge for the district government and the developer was to remove and to relocate the villagers. According to the master plan, the redevelopment related to the land acquisition, villagers’ houses as well as their collective properties. The second difficulty was that former cases of removal and relocation of urban villagers in other part of Happy City had been conducted by developers, with a sky-high compensation level. However, the compensation was unaffordable for both district government and developer. he third difficulty lay in the pursuit of economic interests. As stated in chapter 2, in some cases, local government and developer might tend to use force in the demolition process, which lacked a secure means of protecting the villagers’ interests. This results in protest and dissent among villagers. However, as will be explained in Chapter 7, a new framework for the separation of the relocation from developed was created by the deliberation between villagers and the local government, entailing the empowerment of the committee of villagers.

### **6.5.3 Villagers’ committee**

The village committee played the most crucial role in informing their villagers about the redevelopment agenda, legal procedures and government policies for the redevelopment. They also had the most important role in collecting villagers’ opinions, arguing for their

interests and reporting their needs to government and developer. As I stated in Chapter 3, the village committee is the self-governance regime and authority at the grassroots level, and aims to collectively manage villagers' own affairs in both economic activities and other issues in daily life. Through the villagers' congress as well as village committee, villagers make a direct election of their leaders as well as village cadres, providing the crucial platform for villagers' participation in the village affairs as well as the management of collective properties. In both of the cases, the villagers' committee took charge of mediating the conflicts, organizing small-scale meetings between villagers, distributing and collecting their opinions and interests, conducting new proposals for demolition and providing the response and recommendations to the district government. Encountering the issue of the redevelopment of the region, the district government played an active role in mediating conflicts and reaching a consensus on demolition proposals.

#### **6.5.4 Villagers**

As already explained, the important decisions in the village were collectively made through the decision-making system. The villagers could not only participate in the decision-making on the village's affairs and deliver their arguments to the village committee, they could also protect their interests through the democratic election of the village committee. Moreover, since the political movement of "constructing a harmonious society", local government take the social stability as their priority to avoid the social issues such as "public protest", "forced demolition" as well as "nail households". Meanwhile, in both of these two cases, the government highlighted the "importance of villagers" was demonstrated in documents. This constituted the government rhetoric of "the mass line" (qun zhong lu xian). Thus, both of government officials and village cadres were required to stay close with villager, to enhance their legitimacy.

#### **6.6 Conclusion**

This chapter has introduced two cases of urban village regeneration programmes in Sunny District, with the focus on the deliberative institutions, forms of deliberations and the actors involved. In particular, the basis and rationale for these deliberative institutions and deliberations were investigated. Although the deliberations were adopted by both higher-level authorities and grassroots level regimes, there are different

forms of deliberation practice (formal deliberative meeting and informal communications). In particular, the Chinese deliberation tradition and the autonomy of local governance contributes to this political innovation. That is, Chinese people believe that truth becomes clearer and that conflict can be solved through debate and deliberation, and these deliberative institutions and formal/informal deliberations offer them platforms to participate. Another important finding is that the deliberations at grassroots level combine both formal deliberations and informal deliberative communication, and the informal deliberative communication plays a crucial role. This background information provides us with a specific context to analyse and interpret.

The literature suggests that both formal and informal deliberation, even deliberative and non-deliberative actions make their democratic contributions from the deliberative system's perspective. As I stated in Chapter 4, on the one hand, democratic deliberation played a role as a political instrument used by the local administrations during the urban village regeneration process; on the other hand, deliberation in the context of urban village regeneration is part of a complex political-administrative system. This provides the theoretical space for interpreting the roles of authoritarian deliberation, informal deliberation and non-deliberative actions from a systematic perspective. This perspective also allows us to evaluate the defects of these deliberations and the political-administrative system as a whole. Following the interpretive approach, the Chapter 7 and 8 will tell stories of how deliberation plays roles in different stages of urban village regeneration programmes.

## **Chapter Seven: The Micro-Politics of Village Deliberation in the Chinese Governance System: Two Sites**

### **7.1 Introduction**

The research objective of the following two chapters is to explore and understand how democratic deliberation played a role as a political instrument used by the local administrations during the urban village regeneration process. Through the in-depth investigation of two cases, this chapter focuses on the role of Chinese rural regimes, including village committees and village Party branches, in the regeneration process and the citizens' reactions to the deliberations lead by local regimes. Following the case studies, this thesis will argue that the scalar governance system around urban village regeneration can be regarded as a deliberative system, which operates on different spatially and functionally distributed registers of deliberation, negotiation, exhortation, persuasion and top-down decision-making. These two chapters address three questions: *1) What role does the village administration play in the regeneration process? 2) How deliberative are the deliberation and deliberative system in urban village regeneration programme? 3) What is the place of deliberative system in the larger governance configuration around urban village regeneration?*

This chapter focuses on the micro-politics of village deliberation in the Chinese governance system. It will introduce two kinds of deliberation practices in different conditions: the public-discussion in non-emergency situations, and the 4+2 decision-making system in emergency situations. The structure of this chapter is as follows: Section 2 describes the deliberations, particularly the public-discussion in non-emergency situations. Section 3 describes the deliberations, particularly, the 4+2 decision-making system in emergency situations. Finally, section 4 discusses about how, according to these two cases, conflicts over compensation within the complex scalar Chinese policy system are threatening to turn urban village regeneration into an unmanageable policy problem. In this chapter, the cases are examined in order of the timeline of the regeneration programme, from earlier to later. Evidence from both village N and village T illuminates why land expropriation made a significant contribution to public participation in democratic deliberation around urban village regeneration. Comparison of the sites suggests that non-emergency situations involving land

expropriation are conducive to high-quality elections and substantive participation. In addition, the deliberation practices in the two sites contained many non-deliberative and informal-deliberative actions. However, these actions also delivered significant democratic contributions if we review them through the lens of the 'deliberative system'. As Rollo (2017: 592) comments:

*In leaving unanswered 'the question of the evaluation of non-deliberative acts and practices,' we risk losing sight of two important deliberative norms: the reflective position citizens take up with respect to the standpoints of others in the process of exercising practical judgement and the requirement that citizens understand themselves to be reasoning together to establish a new shared perspective.*

For example, as I explained in Chapter 4, sometimes a government's actions must be authoritarian in order to force issues onto the table and promote the efficiency of the programme and the respect for marginalized beliefs and practices (Mansbrige *et al.*, 2015). Meanwhile, villagers' protests are "sometimes viewed as contributing only to the extent that they articulate something akin to a reason that could be admissible as a statement in public discourse" (Rollo, 2017: 595). In other words, the value of protest need not be assessed according to deliberative ideals.

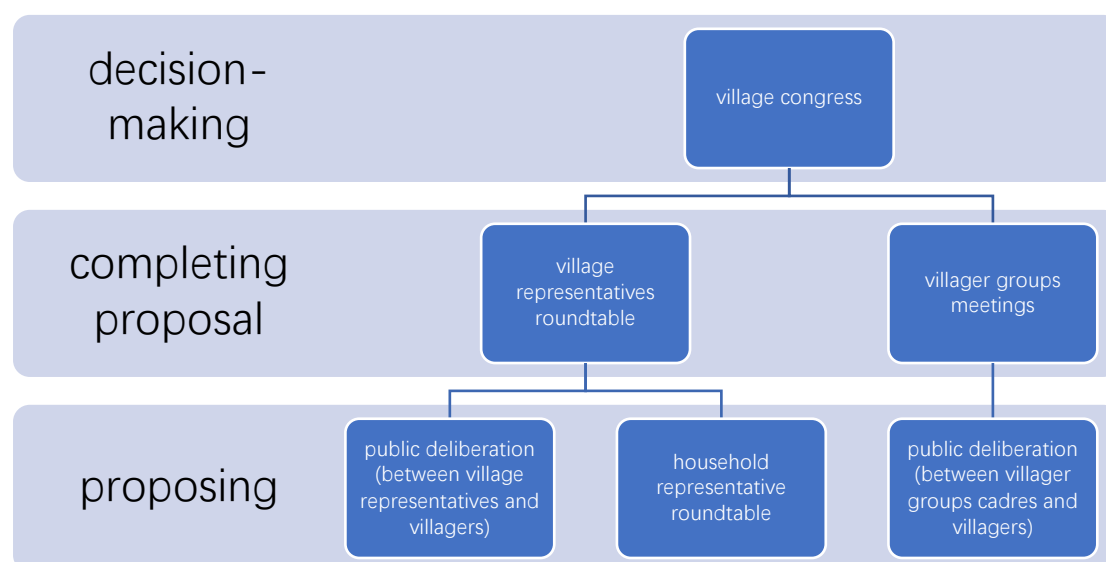
## **7.2 Deliberation in Non-emergency Condition**

### **7.2.1 Self-governance organization in Village N**

The village committee is the grassroots organization of the rural governance system which act as a platform to link the local governments and the masses (Zhou, 2010). According to the Official Document of Village N Histories (2000), in 1992, the current leaderships of the village realized that the governance system were problematic, and it caused many issues like: unregulated working style, undemocratic decision-making process, lack of transparencies of financial management. These problems generated the mistrust between village leadership and the villagers. Therefore, since 1992, Village N settled a Regulation on Open Village Affairs which aimed to improve the transparencies and accessibilities of decision-making systems. According to the regulations, all of the important village affairs should open to the villagers (see details in footnotes), the decisions should be democratically made in Village Meetings, Household Representative Meetings, and Villagers Representative Meetings (See the details in footnotes).

In addition, Village N has strong traditions on negotiation; the village leadership encourage village cadres and village representatives to negotiate with villagers before the formal village meeting to get consensuses through bottom-up approach (See Figure 7.1). The deliberations are consultatively empowered; and various deliberations play roles in the village self-governance system. As I summarized in the diagram, the public deliberations in the village governance system consists of the formal deliberation (like roundtables, congress and other formal meetings) and informal deliberations (like home visiting, street chatting, and informal discussions). The informal deliberations always take places at the proposing stages, the village leadership or the villager groups leaderships have to consult with the public to draft the proposal of the public affairs, like the development of public infrastructure. All of the participants were welcomed to comments on the village affairs at proposing stages. Village representatives and household representatives will bring the comments to the upper level meetings such as village representative roundtables to complete the proposal, and they will bring the completed proposal to the public to collect the information as well. Finally, the final proposal will be voted at the village congress as the final step of the decision-making.

Figure 7.1: village decision making process.



The decision-making system above were implemented by two aims: the first one is to enhance the transparency of the village administrations to enhance the credibility of the

leadership; and the second one is persuading the public to support the leadership. The only two principles they have are: the programme should be feasible; and the public protest should be limited. However, as an early stage experiments, there was not a clear and formulated procedure for this decision-making system; for example, the village committee can process the programme from the proposing step to the proposal-completing step. In the following sections, I will introduce how this decision-making system worked and evolved. The open village affairs have formed a wide-ranging supervision. The majority of the villagers understand the works of the villages and groups very well, so they could reach the mutual objectives and together work toward them. At the same time, the social environment has also been purified and the construction of a clean and honest administration has been greatly improved, the relationship between the cadres and the masses are closer and a good image of the party among the masses has been established.

## **7.2 Non-emergency situation: the mass-discussion in Village N**

### **7.2.1 Background of mass-discussion**

As introduced in the last chapter, since the late 1990s, Village N in the Sunny District of Happy City started a slow process of urbanization. Government buildings, urban housing, factories and other urban infrastructure cropped up around the village residential area, gradually absorbing it into the greater Sunny District area. This regeneration programme began in 2006 and was the first urban village regeneration case in Sunny District. This is later than in most cities in China, or even other districts in Happy City. Since 2003, in order to speed up the process of urbanization and improve the urban environment, the Happy City Municipal Government issued document No. 32 of 2003 (Happy City Municipal Government, 2003) on the integration of urban villages in the city. At the same time, it made relevant provisions for the unification of the village governance system within the urban governance system. This policy document proposed that:

- *The village self-governance system is transformed into the urban residents' self-governance system and the collective-owned land is transformed into state-owned land according to law.*
- *Villagers who have peasant hukou will be transferred into urban residents' hukou.*

- *The reconstruction of villages in the city should follow the urban master plan and land use plan, any kind of physical permission should get planning permission in advance.*
- *The transformation of the village in the city should be carried out by the market operation, mainly by itself, or by the joint transformation with the urban development project.*

(source: Regulation No. 32 of 2003: the regulation on the regeneration of urban villages in Happy City, Happy City Municipal Government, 2003)

According to the proposal, there are three main transformations: transformation of the collective land ownership to state ownership; transformation of the peasants' *hukou* into urban residents' *hukou* and transformation of the village governance system into an urban governance system. This proposal emphasises the role of the market instead of the government. That is, the government does not have to intervene in the regeneration process directly to enhance the efficiency. Since 2003, Sunny District government has attempted to introduce private developers into the programme to regenerate Village N. However, as will be introduced later, it was difficult to reach a consensus between the government, developer, village committee and villagers.

### **7.2.2 Epistemic Functions: Consensus Building**

In early 2003, the district government sent its officials into Village N to collect opinions to outline the detailed regeneration proposal with the Party members in the Village Party Branch. This initial proposal raised by the district government included three parts:

- *The whole of Village N would be expropriated by the district government and would be redeveloped into a public square, district library and commercial residential building.*
- *Villagers in Village N would be compensated and relocated into a rebuilt residential community within this area.*
- *The Village Committee and Village Party Branch in Village N should be transformed into an urban governance system.*

(source: Regulation No. 32 of 2003: the regulation on the regeneration of urban villages in Happy City, Happy City Municipal Government, 2003)

Before the decision-making, villagers have to learn the urban village regeneration policies, and local government have to learn the demands and interests of the villagers. The



deliberation here plays a role to provide a communicative platform for stakeholders to learn the facts, logic, and concerns from each other.

As a strategy, the government arranged a meeting with the village leaderships to listen their comments in 16/03/2003. This is because the village committee has two different roles in the urban village regeneration (See Chapter 3). First, it is the agency of the local government; it is the grassroots level regime to link the state with the rural society. Second, it is the elected representative of their villagers, they should represent for, and protect their villagers' interests. Therefore, the village committee is a platform to build up the communications between villagers and local government. However, in case of early 2003, the reactions from the village leadership were not positive. According to the Former Director of the Village N Committee:

*We must not rush ahead but proceed steadily in accordance with our viewpoint of this huge reform of our village. The reform of the system would be a profound change in the vital interests of the collective and the masses; and the situation would be very complicated [...] Clearly, this reform was also a completely new work with a strong policy, which covers a wide range of areas. One of the tasks of the government this year is to open up a breakthrough in the reform of the rural system and to pilot projects in one or two villages first. But we don't want to be the first one.*

(Source: Interview with Director N, 2017)

This statement shows that the village committee was very conservative to make a conclusion, because they were worried about the uncertainty of the future. This initial information and consultation initiative gave the district government insight into the village leadership's attitude towards the regeneration proposal. Through this initial consultation, the local government realized that the village committee felt lost and powerless when facing these changes, so they agreed that the regeneration would be an experiment for both villagers and government. Therefore, both of the district government and village authorities realized that they have to communicate with the public in a cautious way, to avoid the potential unrests. Meanwhile, they realized they need substantive communication with villagers and village committee to understand the villagers' thought. Thus, the district government entrusted the village committee to expand the consultation to include the members of the village congress, namely: the

villagers' representatives, the members of the standing groups of the Village Party Branch and members of the standing groups of the Village Committee. All of them were invited to participate in this consultation to comment on whether to accept this initial proposal and draft the compensation, or directly refuse this proposal. According to a villagers' representative:

*We were very defensive at that moment... we know and we understood that the regeneration was necessary. It was a megatrend of nation, no one can stop the development [...] we know that the basic infrastructure of our village was poorer than the urban modern communities, but we are satisfied with our life [...] We were frightened of risk, we didn't know how to get advantage in this trend have to do more preparation for the future.*

(source: interview with Village Cadre N2, 2017)

Unsurprisingly, because of the uncertainty, almost all of participants refused the regeneration proposal, therefore, the first attempt at a Village N regeneration programme failed. However, this code also reflects that the significance of the deliberation. Although the villagers are reluctant to regenerate the village, they start to understand their circumstances and governments' attitudes.

The discussion above does not mean the local government did not play a role or take a responsibility in the public deliberation at that stage. Instead, to entrust the village authorities and endorsed the village deliberation was a cautious arrangement to reduce the villagers' tension. According to the government documents (2003), the vice-mayor of the Sunny District pointed out that:

*The development should be in favour of the public, and there is not any excuse for us to frighten the villagers. We not only have to speak to them, but also have to listen to them and learn their requests. This is the most important task for Village N committee.*

(source: regulation No. 32 of 2003: the regulation on the regeneration of urban villages in Happy City)

Through the consultation, the district government realized that the villagers' attitude and emotions are tough. Meanwhile, the experiences from other cities show that a forced regeneration might cause serious public petitions. Based on the facts above, both district government and village committee agreed that the regeneration of Village N cannot be

taken in a short time; meanwhile, the village authorities and villagers also realized that they have to think about their future in advance. Therefore, the district government and the village committee decided to hold a long-time public discussion to figure out a humorous solution.

### **7.2.3 Ethical Functions: Learning the Policy and Policy Learning**

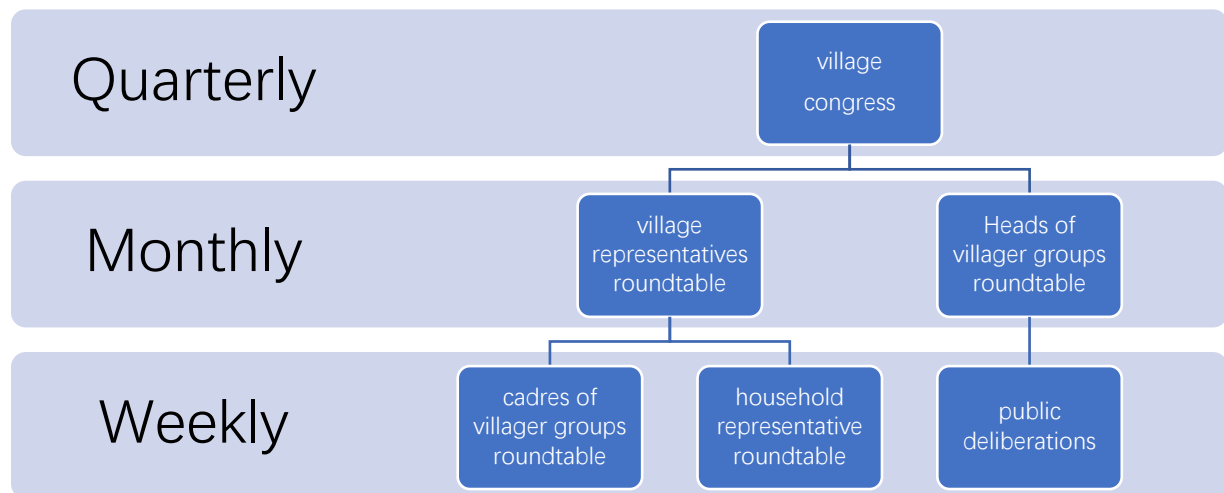
After the initial consultation in the March 2003, the villagers realized that, as cities across the country were undergoing urban village regeneration, the district government would certainly require it again eventually. In the early April, the Village N authority (both village Party-branch and village committee) decided that to organize a public discussion on the government's regeneration proposal because they believed that both the village leaders and the villagers should be knowledgeable about urban village regeneration to identify the advantages and disadvantages. According to the village documents (2003), there are 2 initial questions raised by village committee at the very beginning:

*if we regenerate the village, what benefits might we lose? and if we refuse to regenerate the village, what benefits might we get?*

Source: Annual Work Report of Village N Committee 2003

All of the villagers were encouraged to raise questions and provide their opinions to their villagers' group. The villagers' groups raised different forms of discussion meetings every week: formal household representative meetings, street talking, offices meetings and home visits. As figure 7.2 shows, the cadres of villager groups would hold a roundtable meeting with the head of villager group to discuss the findings and report the issues. Every month, the heads of villager groups would have a roundtable meeting with the village authorities to discuss the issues identified in the discussion, and they will response these issues to the village representatives at the village representatives' roundtable. Every quarter, the village authority will make a report to summarize the outcome of the discussion and raised new questions for the next round discussion.

Figure 7.2: Institutional Arrangement of Public Discussion



Unfortunately, the public discussion was a temporal institutional arrangement, the meeting records were not well-written and reserved by the village committee. Some of the meeting records is handwritten, which are hard to read; some of the meeting records are lost. However, the existing documents shows that the questions raised to the public discussion became more and more details. For example, in late 2003, to facilitate the discussion, the village committee organize training for the key members of the discussion groups and the cadres of the village were trained in order to further unify the thought, raise the understanding, reasonably divide the work, clarify the task and carry out the work in an orderly manner. During the training, they invited experts, including planners and lawyers, to provide advice and explain the regulations; meanwhile, they visited many regenerated villages around China from Happy City to Guangzhou to learn from their experiences. After the training, these members shared their experiences with their group members to help them understand the urban village regeneration programme. However, the village committee not only emphasised the necessity of regeneration, but also emphasised the independency of their village. According to the meeting records from the village secretary in 2003:

*Reform cannot be uniform, that is, we cannot simply follow others' experiences or simply follow the district government. The purpose of this discussion is we have to figure out how to effectively protect the original collective economy and the interests of the original villagers from loss and influence [...] Reform is merciless, but we cannot refuse the reform to change just because we fear the future, and, these changes will come sooner or later.*

(Source: Village Congress meeting records, Village N Congress; 2003)

They also encouraged the villagers to visit regenerated urban villages in Happy City, which was very convenient for villagers to make sense of the regeneration programme. On and off for a year, most of the villagers and the village cadres agreed that the physical image of the old village was old, dirty, messy and poor, which was in contrast to its superior geographical location and the fast development of the upper block of the city centre. As a former village cadre recalls:

*Every establishment inspection from the district government, our village was the focal point. The village collective must invest in many funds to carry on the clean-up, the rectification, however, after the inspection, the village remains dirty again. Moreover, our villagers lived in this kind of environment for a long time; both physical and mental health is also severely damaged. So, with the development of the city, old villages could never be kept forever, demolition and regeneration would come sooner or later.*

(source: interview with Village Cadre N1, 2017)

It is clear that, during the deliberation, both villagers and village cadres got a better understanding of the current political situation than before. The massive discussion as a whole could be reviewed as a form of social-capacity-building through the deliberations, because it is a form of (re)distribution of discourse power through various communicative processes in which citizens exchange opinions and form a consensus in public settings about issues that affect their community (Tang, 2014). These meetings, forums, roundtable encourage the villagers to learn the policies, meanwhile, these discussions require both of the village authority and local government to respect the outcomes and participations. This is because, in the course of addressing conflict and disagreement, Chinese people usually adopt these kinds of terms, for example, “*bai shi shi, jiang dao li*”, which is presenting the facts and the rationales things out. These forms of communications are rooted in the Chinese everyday language: “*shangliang*” means “consult and discuss things over.” This is also rooted in Chinese deliberative moral codes, because traditional Chinese society deeply trusts that social collaboration and communication could settle uncertainties and solve conflicts. The internal communication system within the village is particularly significant when the village has to make an important decision without a clear understanding. According to He (2014: 62):

*Chinese people have faith that truth becomes clearer through debate and*

*deliberation.” Chinese daily languages exhibit a strong disposition for considered judgement such as “think three times before taking action” (三思而后行), or make a “careful consideration” (深思熟虑). The principle of considered judgement is reflected in one Chinese idiom that “you will be enlightened if you hear all parties or listen to both sides” (兼听则明).*

(He, 2014: 62)

The discussion above shows that, the deliberations successfully promote the mutual respect between district government, village authorities, and villagers. Through the public discussion, the villagers learned the policies around the urban village regenerations; their feedback also contribute to village authorities and local government to make decisions. Meanwhile, although most of these forms of communication seem informal and based on the everyday talking, however, according to the DQI (see Chapter 4) these communications have a strong deliberative nature. They are open to the public to participate; the participants were treated neutrally and their opinions were respected. In addition, the participants put forwarded their demands, concerns and reasons and, as will be discussed later, these opinions had a deep impact on the decision-making. The discussion above does not mean that the deliberation in China’s urban village regeneration are good enough in terms of deliberative qualities and standards and the urban village regeneration is a high-quality deliberative system. In next section, I will discuss that the how deliberations were instrumentally used according to their political functions.

#### **7.2.4 Political Function: Conflict Solving**

In this section, I will argue that the political function of the deliberative system in China not only means it promote an inclusive and egalitarian political process (Mansbrige, 2012), however, one of the most important function is it so solve the conflict and relief the social unrest (He and Warren, 2011; Tang, 2014). As I discussed in previous sections, since 2003, the regeneration of the old village has been a topic of discussion in the streets and lanes of Village N for three years. To encourage all of the villagers to participate in the all village discussion, the village committee requested every household to authorise a representative of their family, the villagers’ representative would organize the small group discussion and the family representatives should participate in the discussion

regularly. The village committee wanted to prepare for the negotiations with government and developer, thus, they wanted to find out: why villagers had refused to accept the regeneration; if they have to accept a regeneration proposal, the interests on which they are not prepared to compromise; and what concessions might be likely and what compromises could be made. According to the village committee's working dairies and other supporting documents, since 2003-2006, there were more than 400 different meetings were taken in Village N. Since 20/04/2004, the discussion stepped into the details of rearrangements of villagers' welfare; and they raised a compensation proposal in very details. In 27/09/2004, the discussion stepped into the negotiation strategy with the developers. Since then, the public discussion moved to the next stage, which aimed to formulate the rules for compensation for demolition and resettlement if the government raised the regeneration programme again. However, these rules were made on the basis of the investigation of the villagers; they only held meetings at various levels to discuss, develop and draw up a draft plan for compensation and resettlement for demolition and relocation within their village. In 2004, after the famous flagship urban village regeneration case successfully launched in West Valley Village in Happy City, the regeneration of the urban village has been labelled 'sky-high price compensation'. Learning from the West Valley Village, the villagers in Village N expected that the regeneration programme would be a way to get rich overnight. According to a villager:

*During that period, there were a lot of reports about the sky-high price compensation for demolition. It sounds like we could make a big fortune if our house would be demolished. Therefore, during that period, our expectations for compensation were a little bit higher than before.*

(source: interview with Villager N 1, 2017)

The fieldwork located a photocopy of a government meeting record which recorded a negotiation meeting between Village N and the district government in 2004. This was another attempt by the district government to regenerate Village N. Following regulation No. 32 of 2003 on the regeneration of urban villages in Happy City:

*The regeneration of the urban village should be carried out by the market operation, mainly by villagers themselves, or by the joint collaboration with the investor or by the independent development of the investor.*

(source: regulation No. 32 of 2003: the regulation on the regeneration of urban villages in Happy City)

According to this regulation, the local government did not have to stipulate the regeneration programme by intervening in the programme. In the 2004 negotiation meeting, the role of the government was like a mediator to bring about the collaboration between the village committee and the investor. During the meeting, the village committee raised a proposal that they wanted to self-develop the new village committee and each indigenous villager would be compensated with at least one two-bedroom apartment plus additional cash compensation according to the size of the building. Unsurprisingly, the investor refused to invest in this programme because they could not afford the sky-high compensation. According to the former staff of district government:

*The compensation was too high to approach [...] that was a crazy price at that time the most problematic issues were the redundant illegal expansions. [...] How to compensate these buildings were controversial [...] The developer were not charities, government, neither was the district government No one can afford this price.*

(Source: Interview with Official D, 2017)

The discussion above does not argue that the villagers' claims and their actions are irrational; instead, there was rationality in their actions if we look through the whole deliberation process. Compared with the opening government documents and interviews, during the fieldwork, many of the interviewees in the village (both village cadres and villagers) mentioned their feeling like "powerless and hopeless". For example, most villagers raised rhetorical questions to me:

*why there is a distinction between state-owned land and collective-owned land?"*

(source: interview with Villager N 5, 2017)

*"why we cannot expand our house within our land? I cannot understand this law!"*

(source: interview with Villager N 6, 2017)

*"in 1990s, when we became wealthy through agriculture, they took our farmland to build factories, now we became wealthy again through our housing-renting and village collective economy, they came here again to take our housings, why always us?"*



(source: interview with Villager N 7, 2017)

These rhetorical questions came from different villagers, and reflect the sense of identity of the urban villagers as a disadvantage group. Therefore, it will be argued that both of the actions of “illegal expansion” and the “claim of sky-high compensation” are their “weapons of weak” (Scott, 2007), meanwhile, these actions also reflect the puzzle of their consciousness of development right. These actions almost need not prior coordination, they use the tacit understanding and informal networks to engage the self-defence of attrition with low-profile resistance techniques and strategies, to fight inequality with the firm and tough efforts, and to avoid directly antagonizing authority. This is because they not only felt powerless on the urban village regeneration itself, instead, they also felt powerless when they face the uneven development right between state-owned land and collective-owned land. The deliberations provided the arenas for villagers to defend the regeneration through a legal way; meanwhile, deliberations also provide times and space for government and developer to elaborate on the current situations and clarify misunderstandings to promote regeneration.

From 2003, the government had therefore failed in two consecutive evictions, but the government has never given up on the demolition and regeneration of Village N. However, the results of deliberations among the villagers alerted the local government to elaborate their policies of the regeneration programmes. Tang (2015) point out that: “one of the most important features of deliberative democracy is its dynamic capacity for self-correction” (2015: 153). This is distinctive in the policy making process of Village N. They realized that the village cadres were more skilful than the government officers in communicating with villagers and the understanding of their dilemmas was more important than sympathy. To address these, since the end of 2004, the district government not only “provide the reasons” to persuade the villagers, instead, they tried to learn the practical needs of villagers. According to a government official:

*we suddenly realized that the resistances was not only because of money, we have to learn their practical demands rather than being threatened by the price they raised.*

(Source: Interview with Official D, 2017)

The district government agreed to organize more public discussions, meanwhile, they required village authority to bring a new proposal with a feasible price and a report with more comprehensive information about villagers' practical demands. This is because since 2005, based on the political movement "urban-rural integration" raised by H Provincial Government, the district government had to well prepare the regeneration of Village N to cope with the provincial political movement. Therefore, the district government wanted to find out a feasible way. From the numerous talks and speeches made by the senior officials of the Sunny District Government in 2005, we can discover their determinations. For example, the speech given by the Secretary of the Sunny District Party Committee: "no matter what method it uses, it should use the quickest speed, the shortest time, the highest efficiency in the demolition and regeneration of Village N."

However, the discussion and negotiation are seemingly endless. Although the villagers also put forward many good opinions and suggestions for demolition and reconstruction, it was, however, difficult to expect the villagers to raise a feasible compensation proposal by themselves. According to the former senior officer in the District Government who participated in the meeting:

*We gave them three years to discuss but they did not provide any answer and we could not believe that they could solve it by themselves. But how is it going to change? How to compensate the real estate of the masses, how to solve the housing of the masses, how to guarantee the interests of the masses, how to solve the problems of the difficult masses, how to guarantee the collective interests, and so on? Everything needs to be solved by us.*

(Source: Interview with Deputy-Chairman, 2017)

Therefore, the government forced the village committee to provide a feasible compensation proposal as soon as possible. However, during the three years negotiations and discussions, the village authorities and villagers were much more skilful in terms of negotiation than the beginning. They believed that the district government might have more pressure from the upper level government. At that time, the village authority and villagers were alliance partners aiming at get more compensation from the district governments. According to the *meeting records of Village Congress 18th, July, 2006*:

*According to the new master plan of the district, although we have got some*

*prior policies from the district government, but it was not enough. We have to think of our next generation, now we will have no agricultural land, and no renting business. What we can have is the prior policies on investment promotion of our village and a better compensation package for individual household. We have to fight for our children's future.*

(Source: meeting records of village congress 18th, July, 2006)

According to the Land-use Law at that time, only commercial land was allowed to be developed into commercial used buildings. To facilitate the regeneration programmes, the local government agreed that after the regeneration, the village could transfer portions of their land into commercial land to develop the retail. However, this new policy initiative triggered a strong public resistance from villagers. The villagers believed that their village leadership betrayed them because they not only worried the village authority would not support them anymore, but also worried that the village authority will help the district government to squeeze down the prices for developer.

Since the end of 2005, learning from the experiences from former practices in Happy City and other cities around China, the municipal government decided to limit the scale of apartment compensation to a fixed, transparent and non-negotiable formula, which was limited to 1.7 times the authorized legal rural homestead in Sunny District. This policy aimed to limit public resistance (it will be introduced later), to enhance financial feasibility and to stop the long and endless negotiation on compensation rates. This authoritarian command is according to the local planning regulation: the legal size of a villager's house cannot be more than 1.7 times their rural homestead. Instead of pursuing a comprehensive massive discussion, this new political document was directly sent to the village committee. Meanwhile, the district government left a certain space to negotiate with the villagers, as in the speech given by the Mayor of the District: "no matter what method, no matter who dismantled and who built, as long as villagers accept demolition and reconstruction in principle, anything is easy to talk about." The authoritarian command described above seems opposite to the principle of the deliberation, however, sometimes action must be non-cooperative in order to force issues onto the table and promote respect for marginalized beliefs and practices. That is, as Rollo (2017: 592) points out, "in some sites, anti-democratic action may still contribute to a functioning system". In this case, the non-negotiated compensation rate forced the village committee

and the villagers to go back to a 'rational expectation' of the compensation package. According to the speech given by the director of the village committee:

*In the negotiation on demolition and regeneration, our first principle is to solve the problem, but it does not mean we will make an unprincipled compromise with the government, we insist on the premise 'not to let the masses suffer'. Therefore, according to the current situation, we need to grasp this work as a major event. It requires that the cadres and the masses of the whole village further unify their thinking, concentrate their energies and pool their wisdom and overcome difficulties. We need the broad masses of cadres and the masses to offer suggestions and our Party members, cadres and representatives of villagers should understand the wishes of the masses, communicate more with the masses, and solicit suggestions from the masses on the rationalization of the old villages. Under the new policy, the new proposal should benefit the masses and the collective and can be accepted by the municipal government.*

(Source: Interview with Director N, 2017)

In response to the positive attitude of the village, this time the government abandoned the financial revenue from land release from the developer in order to ask the developer to deliver more general compensation to the villagers. Finally, in addition to the apartment compensation of 1.7 times their rural homestead, the developer had agreed to provide compensation in cash for those parts of the homestead that exceeded the in-kind compensation limit of 1.7 times the authorized legal rural homestead. As the village secretary recalls:

*The determination of the Government was so great, and the Government would never ignore the demolition and renovation, no matter how we delay our act. It is clear that the Government would definitely act within the scope of the law to carry out the demolition and regeneration and acquire land in accordance with national standards.*

*If the government compensates us in accordance with the national regulations, at that time, we would totally lose the initiative [...] Clearly, it caused problems within our village, but the demolition and reconstruction would never stop because of these unexpected difficulties and problems. How*

*problems are solved and how mass work is done requires us to face them conscientiously, but no matter how heavy the task is, how difficult the difficulties are, how many problems we have to face, we must all overcome them and solve them all.*

(Source: Interview with Village Secretary N, 2017)

The case of village N shows that by accessing a variety of communicative resources, villagers were more likely to enter the public sphere and participate in the deliberation around their village's affairs. This deliberation and the deliberative public sphere are politically tolerated, even encouraged, by the local government. They respected the village committee's and villagers' willingness in participating in the massive discussion. In this case, the local government showed their patience with the long-running deliberation process. However, if we look at the political-administrative system as a whole, both informal deliberation and non-deliberative actions played significant roles. The informal deliberation includes a larger range of non-elite interest groups – in this case, the informal deliberation allowed the villagers to acquire knowledge and provide their concerns. The villagers' knowledge, policy understanding and their negotiation skills were developed through the deliberation. The result of the deliberation not only influenced the village authorities' decision directly, but also influenced the local government's policy-making. During the policy-making process, non-deliberative actions, particularly the authoritarian discretion, also contributed to the system because it could force the villagers to go back to a 'rational expectation', which was the basis of the deliberation. However, this is because the Village N regeneration programme was not an emergency situation, therefore, the larger social and political context allowed the local government to be more patient and deliberative with the villagers. In the next chapter, the story from Village T shows how deliberation acted in an emergency situation.

## **7.2.5 Outcomes of the regeneration programme.**

### **7.2.5.1 Physical Outcome**

By April 2006, Old Village N1 (part of Village N) was demolished with very limited conflicts, which affected 175 households and more than 70,000 square metres of buildings. Since 2006, these 175 households in three villager groups in the Old Village built their newly regenerated residential community. The first villager group has built 10 new resettlement buildings with a floor area of 38000 square metres and has built 420

suites, while the second villager group has built five new resettlement buildings with a floor area of 28000 square metres, with a completed size of (number needed) suites. The third villager group built a new resettlement building with a floor area of 8800 square meters and 84 suites. The three groups of residents moved into the new houses in May 2007. In April 2007, Village N2 (another part of Village N) was demolished successfully: 242 houses and more than 90,000 square metres of buildings were demolished. The fourth villager group built 11 resettlement buildings with a floor area of 55000 square metres and built 454 suites, while the fifth villager group built eight resettlement buildings with a floor area of 52000 square metres and completed 448 suites. The two groups of demolition moved into the new buildings around June 2008.

Unlike the former urban village, this newly-built regenerated residential community is a clean, modern and gentrified urban residential community with various supporting facilities. The new village settlement community is 18500 square metres, with 27 bluestone-paved roads and 117 street lamps inside this area, including 35 Wi-Fi activated street lamp. In addition, there is a 14500-square-metre green area with a variety of plants and trees, and other urban facilities like 36 garbage bins, 8 sets of electronic monitoring equipment and 235 CCTV cameras. According to the final redevelopment plan, the Sunny District government forfeited the revenue from urban land value; instead, they requested the developer to develop the basic infrastructure within this area. This arrangement is according to previous cases in other cities, because the land-related revenue has been a primary source of fiscal income, which could account for as much as 60% of total fiscal income in some cities (Ding, 2007). This arrangement aims to protect both villagers' and developers' benefits to limit the conflict between villagers and the government. After the regeneration, Village N only reserved limited parts of the land for relocating their villagers; other parts were acquired by the government to build the central library, youth palace, Zuozhao Park, Aluminium-City Park, and other infrastructure. The regeneration project involved two residential sites with a total of 150000 square metres' floor area of the properties, including the 417 villagers' houses and village collective-owned 3 hotels, 2 restaurants, 1 supermarket and other mixed-use commercial buildings. Apart from the mixed-use commercial buildings, Village N also has hundreds of retail places next to the Central Road. These collective properties were rented and managed by the village committee for generating collective income, since the village committee functioned as a

proprietor and was known as “collective economy manager”. The village committee exemplifies a distinguishing type of “village-cooperative” in China. Village N, was typical of this type of village-cooperative, featuring firms owned, controlled, and operated by the indigenous villagers for their own benefit. Each villager contributes equity capital, and shares in the control of the firm through the basis of the one-member, one-vote principle. As the richest village and strongest village-cooperative in Sunny District, from 2002 to 2005, Village N had 10,928,3367 CNY (around 1,300,0000 GBP) total income, including 3,607,6757 CNY (around 400,0000 GBP) disposable income. The village committee distributed 1,367,6252 CNY (around 151,000 GBP) to indigenous villagers as welfare.

### ***7.2.5.2 Build a Deliberative System***

In principle, deliberation can be a part of any decision-making process, but in development policy circles it has generally been thought of in the context of local participatory development, where deliberative elements are in principle incorporated within a system of community management and control.

Beyond the physical development above, the deliberations in the urban village regeneration also have a contribution on building a deliberative system to address the inequality. In the case of Village N, the “traditional village deliberation” is a platform that the district government, village leaderships, cadres, villagers’ representatives, and public could working on the programme together through structured deliberations to reach a consensus. That is, there were a series genuine deliberations existed in the urban village regeneration programme. As discussed in section 7.2, at the beginning, the deliberation around the urban village regeneration started with a series “deliberative forums”, including formal deliberative forums, informal deliberations, and non-deliberative actions. These actions incorporated well within both traditional village governance system and urban political-administrative system: within this system, deliberations generated a consensus of generation plan, promote the mutual respect of the public, and contribute to an inclusive and egalitarian political process. Beyond that, these traditional rural village deliberations were gradually forming into an institutional and systematic arrangement. The systematic deliberation provided possibility that all of villager could participate the discussion, raise their concerns, argue their interest, and express their

emotion. These deliberations drive the traditional village decision-making system into a new system that based on the systematic deliberations.

Therefore, I will argue that, the political-administrative system of Village N regeneration programme has transferred into a deliberative system. According to the general scheme for a deliberative system (See chapter 4), first, it has public spaces that people can gather and talk, abundant forums and informal communication removes the restriction on who can participate. Second, it also has empowered space, include formal empowered decision making body (village council and congress) and non-decision making body (such as villagers' representatives meetings). Third, the linkage and interactions between the public space and empowered spaces are strong and effectively. The empowered space were affected and supervised by the public spaces. Forth, through the transparency and accountability of empowered spaces were guaranteed by many mechanism: the democratic election, open village affairs, and public discussion empower the public to supervise the decision-making body. Finally, these elements can substantially influence the final decision. To sum up, on the one hand, the deliberation is a part of decision-making process and policy implementation; on the other hand, the deliberation also has a contribution on building a deliberative system.

### **7.3 Efficiency as the priority: Village T**

Since the late 1990s, Village T in the Sunny District of Happy City started a slow process of urbanization. Government buildings, urban housing, factories and other urban infrastructure cropped up around the village residential area, gradually absorbing it into the greater Sunny District area and rural incomes without obtaining access – because of a lack of *hukou* – to the urban welfare system. This necessitated them to seek alternative sources of earnings to augment their insufficient income. With the migration of the rural population into the cities, the demand for low-rental accommodation increased. Urban villagers met this demand by illegally adding poor-condition, low-rent accommodation to their houses to enjoy additional income from rents (Lin and De Meulder, 2012; Liu *et al.*, 2010). This rental income was relatively generous and stable. As a consequence, instead of developing their labour skills, many village residents operated a cheap rental business and generated considerable profits (He *et al.*, 2009; Liu *et al.*, 2010).



Urban village regeneration in the Sunny District began in 2006, later than in most cities in China, or even other districts in Happy City. Aiming to limit public resistance, to decrease financial pressure and speed up the acquisition process, the municipal government decided to limit the scale of apartment compensation to a fixed, transparent and non-negotiable formula. After 2011, after surveying the legal rural homestead size<sup>22</sup>, the district government decided that the scale of apartment compensation was limited to 1.7 times the authorized legal rural homestead, or 258m<sup>2</sup> per homestead. In principle, the compensation apartments would be built at their original location. To encourage villagers to accept the various development proposals, the village committee acted as a mediator to help the villagers to arrive at an acceptable deal with the government and the developers.

### **7.3.1 “4+2” decision-making system**

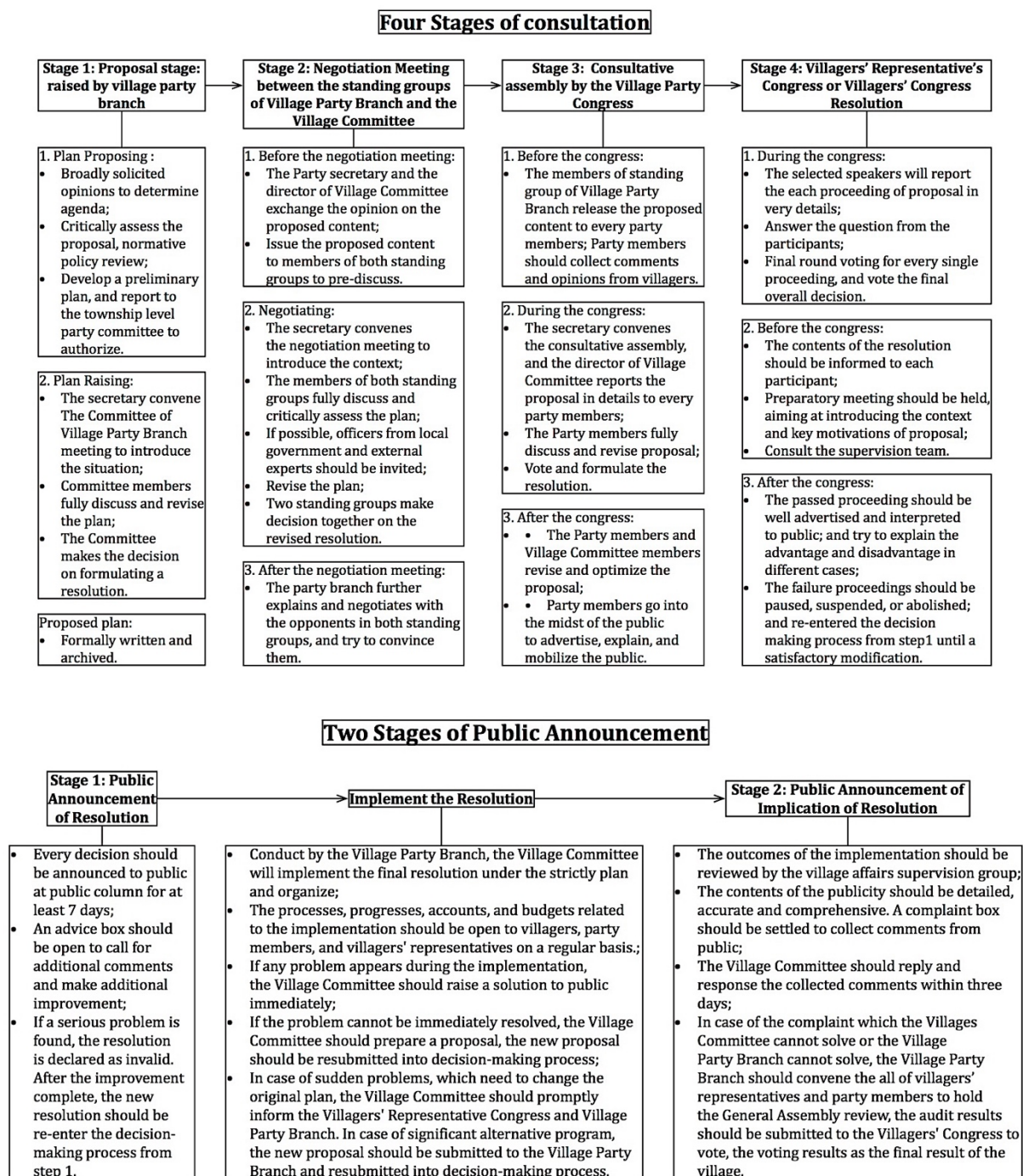
The “4+2 decision-making system” is the traditional village deliberation system for making important decisions collectively. The ‘4+2’ procedure consists of a system of four stages of deliberation and two stages of public announcement (*si yi liang gongkai*). In the first, deliberative, part it stipulates in detail the process of how to make a decision by public deliberation; in the second part, announcement, it prescribes after the decision-making how to ensure the implementation process takes place under the supervision of the public. Task targets and monitoring are additional policy instruments added to the 4+2 decision-making system in the regeneration process. To guarantee that targets were met, the leadership of the Sunny District imposed a strict instruction and inspection upon the Command Centre. The command centre and village committee were given seven months (May 2011 to Jan 2012) to get agreement from villagers. At this crucial juncture, the project-based command and control regime meets traditional village deliberation. Since 2009, the CCP has legally anchored village deliberation in the regeneration process by requiring that a two-thirds majority of villagers endorse any regeneration proposal. It also stipulates that to obtain this outcome, the 4+2 deliberative decision-making system must be adhered to. Meanwhile, the CCP encourages the local urban government to learn from this deliberation system in their routine, aiming to manage their administrative

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<sup>22</sup> A rural homestead comprises the land on which rural residents have constructed their house.

system more “democratically”. Therefore, the 4+2 system was noticed by the public. This institutional arrangement successfully separates the ‘right of proposing’ and the ‘right of decision making’. Figure 1 illustrates the system of village decision making. According to this figure, the village Party branch has the right to raise a proposal and the village congress will make the decision after a deliberative process by voting. The system is carefully calibrated to balance rational communication through Type one deliberation between the villagers and the village authorities with the Party influence represented by the Village Party Branch.

Figure 7.3: The process of village decision-making system (4+2 system).



What we observe here is the existence of two parallel governance systems that exist in an uneasy and unstable alliance with each other. On the one hand, we see the project-based command-and-control system, that is directly tied into the authoritarian rule of the CCP and that extends downwards into lower levels of government. On the other hand, we see the traditional deliberative governance culture of the village that is in fact endorsed by the CCP. To obtain a better understanding of how this deliberative system works in a real-

world complex governance situation in which two interests are potentially at loggerheads with each other, we will unpack the course of events in two urban village regeneration cases in the Sunny District in the next section.

As stated before, deliberation in the context of urban village regeneration is part of a complex political-administrative system, with many actors whose activities are often not aligned. The 4+2 system contains diverse forms of formal and informal deliberations and negotiation. Although some negotiations are tactical, the wider policy system that has emerged around urban village regeneration still retains many deliberative elements. On 12 May 2011, the district government set stage 1 of the 4+2 system in motion by sending its officers into the village to collect opinions to outline the regeneration proposal with the Party members in the Village Party Branch only. This initial information and consulting initiative gave the district government an insight into the village leadership's attitude towards the regeneration proposal. Based on the reactions of the Village Party Branch, the district government drafted a compensation proposal and expanded the consulting through the 4+2 decision-making process. The villagers' representatives, members of the standing groups of the Village Party Branch and the Village Committee were invited to participate in the deliberation. The agenda consisted of one item: to establish a compensation package that is acceptable to the villagers. (We will see that in this case, this goal was lowered to 'acceptable to the required two-thirds majority'.) The remit of the deliberative process is framed by the legally mandated compensation rules as described above. However, a lot of compensation elements remain that make the difference between an outcome that is deemed fair or unfair by the villagers. Deliberations concerned the new committee's locations, collective enterprise arrangements, villagers' welfare arrangements and employment opportunities. Given the pressure to arrive at a quick outcome, the District Government had agreed to compensation in cash for those parts of the homestead that exceeded the in-kind compensation limit of 258m<sup>2</sup>. Instead of simply asking 'agree or disagree', this step focused on how to encourage the villagers to draft the proposal, particularly about the details and amount of compensation packages. After the village Party cadres and Village Committee representatives agreed on a compensation proposal, the draft was distributed to each household in the village. The representatives of both bodies were asked to collect

each villager's reaction and they were required to negotiate with villagers to pass the proposal at a village congress; that is, they needed to follow the 4+2 system step-by-step.

Under this arrangement, the villagers have access to the deliberation through the following channels. They can express their opinions to their representatives and ask them to deliver their opinions to village cadres in steps 2 and 3. They can question the result of each step and the village authorities must respond to their questions; they can express their argument in the village congress. They can express their opinions, suggestions, or dissenting opinions during the public announcement. They can also accuse and impeach the village authority if they do not implement the proposal strictly. In the end, the compensation proposal was amended several times to reflect the villagers' positions. The amendments included:

- Cash compensation for homesteads over 258m<sup>2</sup> up to 600 Yuan per m<sup>2</sup>, the housing is evaluated by mutually agreed criteria;
- The land-use plan of the regenerated area has been amended. The amount of retail space has been increased and the rental income of these spaces are distributed to villagers as welfare;
- The collective economies of the village will be registered as a collective-owned company. The formerly collective-owned land will be transferred as state-owned industrial land first, and these lands will be redistributed back to the collective-owned company. The villagers can keep sharing the land rental income as before;
- The district government provides skill training for unemployed villagers;
- All the villagers move out before 1 June 2012.

The final compensation proposal passed the village congress in Jan 2012 with an 85% majority.

Although this looks like a satisfying outcome for the residents of village T, we should not lose sight of the constrained nature of the village deliberations. It is commonly understood in Chinese political culture that the individual's interests must yield to the collective's. In the current political climate that often means that individual interests must give way to rapid economic development. In the urban village regeneration process, the "collective" interest of the district is to establish the general aviation industry group within the industrial development zone. For example, as the government working log

records state: “On 02/09/2011, the Director of the District People’s Congress<sup>23</sup> gave a speech in Village T: *“both village cadre and villagers should raise awareness of the importance, arduousness, long-term and complex nature of urban village regeneration and reallocation community construction. The command centre and village cadre should mobilize villagers’ initiative and enthusiasm in terms of building a good home.”* The key target of the Command Centre was to persuade the villagers to accept the district’s demolition and compensation proposal and to sign the contract for demolition and compensation.

During these seven months, the leadership of Sunny District inspected the Command Centre month by month. In practice, this means that in addition to the legally required village deliberations, the District Government directly intervened in the process. For example, the director of the District People’s Congress personally visited the village during the deliberations to deliver the above-mentioned speech. The purpose of the visit was to endorse the Command Centre and village committee and to discourage opposition to the regeneration. He also visited villagers at home to demonstrate his personal sympathy for them. The purpose of this personalized approach is not an open, reciprocal exchange between district leadership and villagers, but to obtain the required two-thirds majority by weakening, albeit in a considerate and respectful manner, the resolve of any opponents who had petitioned against the government’s proposals.

The scalar governance system around urban village regeneration can be regarded as a deliberative system, which operates on different spatially and functionally distributed registers of deliberation, negotiation, exhortation, persuasion and top-down decision-making. The 4+2 system within the villages represents genuine, legally protected, deliberation. In addition, we encounter the hastily assembled informal deliberation efforts by the District authorities that, with project management, form an integral part of a wider administrative system that is aimed at economic development. These deliberative moments are constrained by the *a priori* performance goals that are outside of any norm of communicative rationality. In the next section we will encounter examples of the

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<sup>23</sup> In the Chinese political system, the director of the District People’s Congress is the third highest official within the district, who takes charge of elections and designs regulations.

shadow that the efficiency goal throws over the communicative process when it becomes clear that villagers' material interests, their grief and anger at past treatment at the hands of the authorities, or their suspicion of financial wrongdoing by the authorities, is declared off-limits in the communication about compensation. In the case of village T, the village speech and home visits of the District authorities were unable to suppress resistance against the regeneration proposals. To understand why this was, we need to discuss the situation of the village residents in more detail.

### **7.3.2 Constrained Deliberation.**

Concerned about social stability and under pressure to deliver a positive formal response to the district government (which itself was acting under a 9-month completion goal), the Village Committee and Village Party Branch decided to speed up the village deliberation process. Under the pressure from the Command Centre, they agreed in the negotiation meeting to merge the villagers' representative meetings and the Village Party Congress. This amounted to a blurring of village participation and Party command in the deliberative 4+2 decision-making procedure. During the meeting, the village committee had invited one of the senior officers from the district government to introduce the draft of the regeneration agenda and the compensation package. The senior officer *"emphasized the importance and significance of the program and the urgency of the decision-making progress"* (Source: local government meeting summary). Under the designation "condition of urgency", the official asked the village Party members and villagers' representatives to bypass the carefully calibrated 4+2 deliberation procedure about the compensation package agenda and restrict themselves to collecting the villagers' comments about it. As one of the Party members recalled:

*Our attitudes are not important for them (Command Centre) as they only care about the voting result of the Villager's Congress. They only want some insight into the villagers' attitude, as they need to sign the compensation contract with villagers. They asked us to keep working on this issue all the time, weekdays and weekends, day and night ... Our task was to collect general opinions from the villagers and to pass the proposal at the villagers' congress ... they need to know how to persuade the villagers.*

(source: interview with Village Cadre T2, 2017)

The result of the first round of opinion collection showed that the compensation package was acceptable. Indeed, almost 70% of the villagers supported the village leaders to proceed with the regeneration process. The opponents were villagers who had informally expanded their house after 2010 and stood to lose the most. The opponents' resisted fiercely as the loss of income would overturn their livelihoods. However, as the village committee had a sufficiently large majority to pass the vote, they immediately convened the villagers' congress to vote, and unsurprisingly, the decision to accept the regeneration plan was accepted by a comfortable majority. The size of the majority gave the village leaders strong confidence and they believed they represented the majority.

However, the truncated "4+2" decision-making process was interrupted at the public announcement stage, as the opponents of the compensation decision vocally resisted. Those villagers whose livelihood exclusively depended on rental income felt ignored by the village leadership. Their concerns escalated when the village committee formally, in line with the 4+2 protocol, announced the 7-day period of public comments on the decision. Instead of declaring the decision invalid, the village leadership more or less ignored the critical feedback. Instead of cautiously handling the collective resistance, the village committee and village Party branch reported these issues to the Command Center as "an issue that was caused by an unreasonable and conservative minority" (Source: government dairies, Command Center of Community T Programme, 2011). According to a villagers' representative:

*It was a terrible misjudgement to simply treat them as 'minority racketeers', as it is difficult to avoid 'racketeering' when you want to attract a public project in a village ... Several years before, we built the water tower to improve the water supply system for our village. We needed to cut down two trees from in front of two families' houses, as we needed to make more space for construction. Although there is no evidence to prove that these two families owned the trees, they still successfully asked for compensation ... Most of the time, people think public projects are paid for by the government, and the government is rich enough to pay their 'racketeering' ... Indeed, we never held a tough attitude towards them before the regeneration.*



(source: interview with Village Cadre T2, 2017)

Resistance escalated with the spread of village gossip about the regeneration policy, such as: *'Village A gains more money as hundreds of villagers petitioned the government for higher compensation packages'* (interview with a villager). These rumours encouraged the villagers to participate in a formal petition against the Command Centre and the Village Committee as they argued that they requested more compensation to sign the contract. Instead of the village authorities' public propaganda, the villagers tended to believe the rumours and directly confronted the village committee and Command Centre. Therefore, the first priority of the Command Centre and village committee was to clarify the gossip and control the growing complaints about the demolition and compensation proposal draft. They used two trucks with huge speakers to broadcast the policy into villages; meanwhile, they distributed more than 500 posters to explain the policy (Source: government dairies). However, these efforts at a public announcement were unsuccessful. One reason for the failure of the public announcement stage was pervasive rumours of corruption at the leadership level. The under-compensated properties and the village leaders' failure to prevent the government from taking their land were, in the minds of the villagers, linked to the leaders and government officials accepting bribes from the involved enterprises:

*"It began with the town expropriating our land. The government just took it at a low price. The village committee couldn't prevent it so that's when the mess began when the government began profiting from us ... Then the government gave that huge plot of land to build an airport for an aircraft factory. Basically, it all went to one company! So the villagers think that my colleagues and I had been defeated by corruption. But the truth is, as a monopoly, the aircraft factory almost only speaks to the provincial level, they did not care about the district government, they just ignored us ..."*

(Source: Interview with Village Cadre T 1).

Up against the combined might of several layers of government, the representatives of the Party at all these levels, and well-funded and well-connected corporate players, in a situation in which open conflict and protest is barely tolerated, the villagers could only

employ the “weapons of the weak” (Scott, 1987) by engaging in a participation strike. They refused to participate in any further discussion about the compensation decision. According to a villager (B):

*We might be tempted to dismiss the Party Secretary's assertion as propaganda, if not for evidence that villagers insisted on participating in decisions about collective land ... Instead of participating in the discussion, the villagers put pressure on the leadership by refusing to participate.*

(source: interview with Villager T 1, 2017)

This “participation strike” is itself a feature of the dispersed Chinese deliberation system. Although it rarely makes the headlines, it is well known that Chinese citizens, despite the considerable risk to their freedom and safety, frequently engage in open protest. It might seem perverse to call such protest a form of deliberation, but as Rollo points out, the very act of protesting must be judged by its symbolic meaning in the relational configuration in which it occurs. As he states: “Abjuring deliberation is not always an example of ‘shirking collective responsibilities’ but rather, reflects the necessity of breaking ‘a relationship of domination’” (Rollo, 2016, 598. Quotes from Warren, 2011). By engaging in such drastic acts, the villagers drew attention to the lack of legitimacy of the regeneration process, while at the same time the form of their protest is conditioned by the asymmetry in power and resources (Rollo, 2016, 596). In this sense, the citizens’ refusal to further participate expressed their disillusionment and lack of faith in a communicative setup that betrayed its own stated goal.

Facing a participation strike, with a considerable number of village residents disillusioned by the expropriation process and low land compensation payments and in a climate of corruption rumours, the district government and village leadership faced an acute crisis of trust and legitimacy that endangered the targets of the land acquisition project. As a next step, therefore, the Command Centre and the village leadership resorted to face-to-face contact. They tried to persuade the opposing villagers through street meetings and door-to-door visits. Their purpose was once again to weaken the petitioners’ resolve and ‘convince’ their opponents by explaining the compensation policy and dispelling the corruption rumours. Ten small teams, organized by the village

committee, engaged in these face-to-face meetings. Initially, this government-driven informal deliberation effort faced an uphill battle. Many residents were distrustful of the door-to-door visit, as they felt powerless in their discussions with government officials. Some villagers felt bullied by the local government as they experienced their unequal social position, education levels and personal skills.

*I can't debate with them, I can't express my opinions, they are much cleverer than me... it is difficult for me to state my opinions. I just know I don't like them, and I want more money.*

(source: interview with Villager T 2, 2017)

However, gradually, most villagers obtained a basic sense of what they received and what they lost.

*I was misled by the gossip from other villagers, I thought that I would lose everything. The government staff clarified the situation for me, and I began to support the regeneration. It was not a bad deal. I have moved into this community two years ago, I still think it was a good deal.*

(source: interview with Villager T 3, 2017)

These door-to-door meetings helped the Command Centre to successfully amend the compensation decision. After the collection of positions, they became aware that the opposing villagers were worried about their livelihood after they lost their rental income. The government then organized a roundtable meeting with enterprises nearby and successfully asked them to provide lists of employment opportunities and conditions. After these efforts, almost 85% of the village residents signed the compensation contracts before the start of the demolition. The former village director commented:

*We finally solved the problem at this stage. It was too hard to persuade the villagers otherwise ... I cannot do more for them because the government won't give me any chance. I believed in the existing cases, every village tried to argue something, but I haven't seen any successful cases. The compensation policy never changed.*

(Source: Interview with Village Director T 2, 2017)

## 7.4 Deliberative Capacity Building

Deliberative Capacity Building (See Chapter 4) is a framework raised by John Dryzek (2009). It could be used to assess of the effectiveness and completeness of a deliberative system. As I discussed in Chapter 4, Tang (2014) advances the analytical framework of “deliberative capacity building” into contemporary China, namely social capacity, institutional capacity, and participatory capacity.

First development is the social capacity. At an operational level, this indicator means that both media discussion and everyday talk play significant roles by generating public political awareness, exchanging information and forming public opinions (see Chapters 7 and 8). Refer it back to the Tang (2014), the deliberative capacity building theory, we can find out that the form of the (re)distribution of discourse power through various communicative processes (both formal and informal) in which citizens exchange opinions and form a consensus in public and private settings about issues that affect their villages’ regeneration. In both cases we can observe how a range of actors employ deliberative elements, such as public discussion, home visiting, street talking, and village congresses; even more institutionalized forms: the “4+2 decision making system”. Most of them made certain contributions in terms of enhancing public participation, representation, inclusion and accountability. Deliberation seems to become a channel in (re)distribution of discourse power through various communicative processes in larger context to contribute to the democratization process. However, this trend can hardly be identified in these two cases. The communicative channels and resources were programme based, however, the tolerances of the state were only depended on their political targets rather than citizens’ attitudes. In addition, citizens, although aware of their exposed social and political position, do not hesitate to express their opinion about decisions that affect their livelihood, health, ethnic identity, or their children’s opportunities. Among ordinary people, authorities often carry a suspicion of being prone to corruption, stonewalling and the cover-up of policy failure. Others, as the past two decades have shown, are willing to risk arrest, detention or worse in resisting what they perceive to be unfair and unjust treatment at the hand of officials.

The second development is institutional capacity. In both cases, the effective institutional incorporation of communicative outcomes can be observed in both cases. We can see how local government and village authority reach consensus, made decision, and implement the regeneration plan according to the communicative outcomes of public discussion. In the three years discussion, the public can not only access the information, but also substantially access to the channel to express their arguments, interests and even emotions. Meanwhile, this also contribute the local government to improve their policies and the ways of policy-implementation to cope with local knowledge. The deliberation contributed to the positive interaction between government, village authorities, and the public.

The third development is participatory capacity. We can see in both cases; the villagers were significantly influenced by the deliberations and deliberative system. Through the three years public discussion, we can observe that the villagers learned the policies itself and policy-making process. They got capacity to argue with and pressure the local government to fight for a better compensation package. In the 4+2 system, also the compensation package is not negotiable, the villagers can use this system to get a better policy for their further development, such as working opportunities, professional training, and other advantages. Instead of using violence, the villagers adopted more rational ways to resistant the local government.

To sum up, to evaluate a deliberative system, the examination could go beyond the deliberative system itself, to discuss the deliberative system in a broader context in terms of the role of the deliberative system in the democratization process of an authoritarian state. Deliberative-capacity-building provides a supplementary scheme based on Mansbridge's three overarching functions (will be discussed in Chapter 9) of democratic deliberation.

## **7.5 Conclusion**

This chapter focused on two main questions concerning the process and place of authoritarian deliberation in China's complex governance system. From a pessimistic point of view authoritarian deliberation is exactly what it claims to be: a relatively limited

policy instrument that in an overall authoritarian, intrinsically unjust, political system is employed by officials in an instrumental way to persuade or compel citizens to accept their decisions and to generate political support. But that view is too one-sided. In all governance systems deliberation fulfils three important functions (Mansbridge et al., 2012): the epistemic function of “collectively producing understandings, opinions, preferences and decisions that are based on ‘substantive and meaningful consideration of relevant reasons’ ” (op.cit., 11); the ethical function of treating citizens and other actors as autonomous agents who are able to contribute substantively and meaningfully to the governance of their society (ibid.; Dewey, 1954) and the democratic function by organizing a diversity of input into the understanding of complex problems and the liberation of the creative forces of society (Lindblom, 1965; Wagenaar, 2011). These two examples show, although on a small and limited scale and hemmed in by the hierarchically-imposed demands of project management, how deliberation in the case of the regeneration of village T was able to fulfil these three functions. When the authorities decided to listen to disgruntled citizens, the latter, after they had overcome their initial distrust, felt respected and taken seriously. Moreover, authorities were forced to rethink the rigid compensation scheme and came up with a more creative scheme that was responsive to the needs of the residents.

From a systemic point of view, in a situation where the rule of law is weak, the diversity and fragmentation of the Chinese governance system is the best guarantee for the continued use of deliberation as a mode of governance. In the interstices of loosely coupled governance configurations, where political authorities cannot manage the multiplying interdependencies in the governance system, spaces emerge in which deliberation can make a real contribution to collective decision-making. The following chapter will introduce two examples where local officials successfully used deliberative strategies to help villagers make the sometimes difficult adjustment to a more urban lifestyle. Despite their constrained character, deliberative practices, as they proliferate throughout the Chinese governance system, can limit conflict and enhance governance.

## **Chapter Eight: Transformation of governance system**

### **8.1 Introduction**

This chapter focuses on the changes to community governance that occurred after the urban village regeneration when the villagers were reallocated to a new community. Beyond the physical urbanization of the village, the challenge for the local government is to transfer the village governance system into an urban community governance system; and to integrate villagers into the city as ordinary citizens. This administrative translation created two problems: administrative problems, and economic problems. Administratively, a new regenerated community needs to merge the administration with the urban system, and act as a branch of street office. In this chapter, I will explain that there are different approaches to administrative integration, based on the collective economic power. Economically, the former villagers of regenerated community have a cooperative, and the owners not only get benefits from the shares' distribution, but also enjoy the public services. After the regeneration, in the new community, the indigenous population of the villagers are diluted, and have no interest in sharing their public services with newcomers. This brings consequences for the local government, community leadership, and public. In this chapter, I will introduce how deliberation and deliberative system contribute to overcome these consequences.

The first three sections of this chapter (section 8.2, 8.3, and 8.4) introduce the institutional changes of both Village N and Village T. The discussion includes: the administrative institution transformation, the role of village shareholding companies, and the introduction of property management companies. Following these discussions, section 8.5 introduces how the villagers experienced transitional challenges in their daily lives caused by the reallocation from urban village neighbourhood into a modern urban residents' community. To lead villagers in getting used to the new urban life, former village cadres play a significant role, such as intervening in the local conflicts, applying authorizations, and so on. Finally, through the comparisons of the experiences and understandings from the former village deliberation and the urban community governance system, section 8.6 discusses the transformation of the deliberation system.

## 8.2. Political Economy background of two cases

### 8.2.1 Introduction

The concept of “community building” (See chapter 3) in urban village regeneration was borrowed from systems of urban governance. In 2000, Happy City municipal government implemented the community building movement, with aims to set up a grassroot-level regime to replace the work unit. In 2003, the local government wanted to make the urban villages manageable, so they attempted to transfer the village committee to residents committee. This is because they wanted to integrate the urban village’s authority into the urban governance system, and act as an agency of street offices. As I explained in Chapter 3, “community” is a “self-governance organization”, however, it is a new territory for governmental intervention. It acts as a branch and agency of street office.

Since 2006, Sunny District Government have introduced the “community building movement” in urban village regeneration, targeting the former village committee as the “urban community authority under the supervision of street office”. The central government issued the “Promotion of New Urbanization in Rural China” in 2009. This policy was targeted on “urbanizing the rural villages’ infrastructure and the civilizing villagers; providing high standard public services into the rural villagers”. Therefore, the employment of the ‘community’ in China’s rural society indicate an institutional reform: introducing urban institution into rural society. Through the “community building movement”, the state targeted at developing more autonomous, efficient and localized forms of governance, meanwhile, reinforcing public support (Tang, 2015).

This section will introduce the “not rural but not urban”<sup>24</sup> governance system of regenerated village communities in urban areas. These newly built regenerated village communities have reallocated the indigenous villagers from former urban villages. Physically, these communities have been developed as normal urban communities, however, politically, considerable continuities exist between regenerated village communities and former urban villages. In this section, I will introduce how the village governance system has been integrated into the urban administration system, and how

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<sup>24</sup> This concept is from: Tang, B., 2015. “Not Rural but Not Urban” : Community Governance in China’s Urban Villages. *The China Quarterly*, 223, pp.724–744.



these continuities exist in the new governance system in regenerated village communities. Chapter 7 explained how deliberation could contribute to an elegant political process as well as a deliberative and equal outcome. Particularly, this section will focus on how rural deliberation and the deliberative system can play roles in the social integration of the villagers. Through the lens of the two cases, I will introduce how the rural government structure could be integrated into community governance, how the collective economies were invited by street office into the area of the community services for their shareholders, and how local government cultivate the self-governance organization at grassroots level.

### **8.2.2 Institutional differences between villages and urban communities**

Both the Chinese villages and urban communities are 'self-governing' in China's official discourse. Legally, they must conduct democratic events, including campaigns and elections, public participation in the decision-making and democratic supervision (ibid.). According to the Election Law, every eligible adult resident can vote and nominate candidates to become members of the urban community or village committees; meanwhile, every eligible adult can be nominated and voted as a candidate as well. The number of candidates should exceed the number of positions, and legally, voters can reject, review and modify committee decisions and recall elected members of the committee and directly participate in the parliament. Some scholars believe that the current laws and regulations can provide an institutional framework for public participation (Heberer, 2009:503), particularly, authoritarian deliberation (Tang, 2015, 2018) in both the urban communities and the villages. However, as stated in Chapter 2 and 3, the dual-track of land ownership differentiates the economic capacity and functions of the urban residents' committees and the village committees. As explained in Chapter 7, the empowerment of the village deliberations successfully helped the government to implement the physical development; therefore, they expected that the village deliberations and the village governance system could play a role in the social integration. To overcome these differentiations and peacefully transfer the village into the urban community, the local government directly nominates the members and leaders in the new residents' committee in both Village N and Community T.

Certainly, many functions of both village committees and urban residents' committees are

similar to local councils that you might find the world over, such as refuse and licensing, managing local infrastructure, welfare applications, addressing their complaints and processing residents' records, as well as mediating disputes and conflicts among these villagers. However, tasks like monitoring human reproduction/childbirth managing collective assets and incomes are unique in rural China (Sargeson, 2016). Particularly, tasks of managing collective assets and income are the top priority, which should be approved by the majority in the village assembly or villagers' representative congress, for example, by requisitioning labour; applying for project grants or loans; spending collective funds; allocating house sites and leases; distributing or spending land compensation; and pricing salaries for staff. In contrast, literally, urban residents' committees are authorized by the law and endorsed by the local government to manage the infrastructure and properties of the residents' committee in an urban community without independent source of income, instead, their budgets were based on itemized funding from their prior governments. However, practically, these budgets are barely sufficient to cover a committee's expenses and members' salaries (Sargeson, 2018). Compared to the village committee, urban residents' committees, thus, have very little capacity to make discretion in expenditure. As will be explained in later sections, the shortage of funding limited the capacity of the residents' committee and generated many further issues in the regenerated village committee.

### **8.2.3 Community building movement in regenerated village community**

To promote the integration of villagers into the city, Sunny District government introduced the "community building movement" after the urban village regeneration. This movement is part of 'building a harmonious society' movement from central level government. In line with urban village regeneration, Sunny District government carried out a top-down process of administrative integration, the so-called "double transformations": "transforming village to community (*cun zhuan ju*)" and "transforming village collective economy to a village shareholding company (*jiti jingji gaige*)". As I introduced in Chapter 2, the village governance system has two main functions: administrative management (like a government) and collective economic operation (like a collective). Simply speaking, the regenerated communities should have a residents' committee who inherits the administrative management function; meanwhile, one village should set up at least one village shareholding company to inherit the former village's

properties and economic management function. The former vice mayor of Sunny District who took charge of all urban village regeneration projects since 2006-2014 introduced the double transformation as follows:

*The “double transformations” political movement has two parts: to transform the village committee into residents’ committee replicating urban neighbourhoods, and to change the rural collective economy into the collective (villagers’ shareholding company). The main goal is to separate the administrative responsibilities and economic management functions of the village committee. Previously, these functions were not very clear in rural governance, but when transformed into urban communities, they had to be clarified. After becoming a residents’ committee at neighbourhood level, there is no legal function of economic management. In addition, the composition of the collective members is also different. The community has a wide range of residents, and no longer comes from a village or a village group such as the urban villages in the past. The situation is now fundamentally different.*

(Interview: former Vice Mayor of Sunny District, 2017)

The vice mayor introduced the main challenges of the “double transformation” movement, the main concern is how to form a residents’ committee and clarify the relationship between a collective economy and an administrative authority. Practically, the first concern is the composition of the leadership group of the new residents’ committee. Generally speaking, the leadership group of a residents’ committee has a director, vice directors (in larger communities) and numbers of committee members. Based on the village regeneration experiences, in the ordinary cases, the leadership group always involves both local government officers and village committee members, aimed at creating a more collaborative governance system between government, former village authorities, and villagers. It also targeting at cultivating of a community-level regime and transforming of government functions into the newly-built administrative pattern.

After the regeneration, the regenerated urban village became an urban community, the village Party branch and the village committee were transferred into the Party-branch of residents’ committee and the residents’ committee. As I explained in Chapter 3, the residents’ committee is a self-governing organization, which should include a community members’ congress as well as a community’s affairs committee. The residents’ committee

supervises these organizations. The members in these two committees should be elected. They take charge of the administrative routine and other community affairs. Following the urban *Street office – Residents’ committee* system, the Street Office should work with the Residents’ Committee. However, practically, the composition of the leadership group reflects the extent of the continuities between the village governance system and the residents’ committee. For example, in some cases, the Street Office’s officials will be nominated to each regenerated village community’s Residents’ Committee, meanwhile, they also lead the policies implementation process, public services even appropriation. To the contrary, in some cases, all of the leaders in the new residents’ committee are inherited from former village cadres, and none of the officials in the street office can directly take charge of the residents’ committee. The residents’ committee acts as a “grassroots-level branch” of the Street Office, however, as I will explain later, the residents’ committee in the regenerated village was authorized more autonomy. This allowed them to make their own voice heard and refuse some tasks issued by the street office if they have a good reason. As the one of the most important heritage of the regenerated community is the deliberative decision-making system. In the following sections, I will adopt two cases in order to examine these two situations.

#### **8.2.4 The Model of N Village Community**

The foundation of the N Village Community offers a lens through which to explore how the continuities (such as the former cadres, traditions, and some working styles) of the urban village governance system could play the dominant role in new community governance. This model advocates and emphasizes the functional significance of the traditional rural village governance system. As the first flagship case of community building and “the double transformations” in Sunny District, the foundation of the Village N Community was a significant policy experiment in an attempt to maintain social stability, the Central Road Street Office (CR Office) formally nominated the previous village collective members as new leaders in the residents’ committee and empowered the newly-founded collective shareholding company of N Village to play a role in community governance. Meanwhile, the CR Office allocated some staff members to the community to assist the new leaders, but these did not take up any of the important positions in the new committee. That is, the newly formed N Village Community’s residents’ committee inherited the former village governance system entity, this included:

institutions, cadres, and the financial resources, etc. The transformation of its public administration system had previously existed on paper: literally, it became an urban community and was led by the CR Office.

As explained in Chapter 3, Residents' Committees in China are now considered as a level of jurisdiction within the whole urban government system. Nominally, the boundaries of the community were defined as a sub-jurisdiction of the street offices. Meanwhile, in order to empower the Street Office, the community-level administration was reorganized into three levels. First, at the decision-making level, the main decision maker is the street office, and the street management system is replaced by the regional management system because the street office has the authority to lead and coordinate with other local government departments and bureaus. Second, at the operational level, the neighbourhood committee is responsible for civil affairs, community services, public security and community finance systems on behalf of the subdistrict office. Third, at the public level, residents, autonomous organizations, local businesses and associations have developed a "support system" to promote policy-implementation.

In practice, however, the political function and the power of new Village N Residents' Committee is far beyond a normal residents' committee. Instead of acting as an ordinary urban residents' committee, Village N kept the former village governance working style, structures, cadres, and institutional arrangements. This is because the Village N holds an extremely strong collective economy which could provide abundant funding for the residents' committee. This funding provides them with an independent primary school, property maintenance services (I will explain this in Section 8.4), and a welfare system. In addition, the strong economic power not only help the village leadership to gain the political trust from their villagers, but also help them to bargain with local government during the administrative transformation. As a result, the staff and members from the Street Offices are excluded from any of the important positions, therefore, none of them are powerful enough to impact the decision-making process. As a result, due to the strong collective economic strength of N village, although the N Village Community is officially a subordinate of CR Office, the local government (both District government and CR Office) is unable to carry out effective vertical management of policy implementation in practice. Due to the strong continuities of the urban village governance system, the power

relationship between local government and the residents' committee is, in essence, the same as the relationship between government and the village.

### **8.2.5 The Model of Community T**

In opposition to the case of Village N, the foundation of the Community T can be used as a lens through which to explore how the Street Office can play a dominant role in community affairs, and empower certain elements of the urban village governance system to assist the Street Office. The Community T contains three different villages: A Village, B Village and C Village. The economic conditions, source of income, and physical conditions of the different villages are widely divergent. Although A Village is relatively stronger than others, it is far from enough to provide abundant funding to hold the dominant role. Compared to the Village N, A Village, B Village, C Village were relatively small, less-developed villages located at the edges of the industrial development zone. Some of the village lands are among gullies, villagers historically relied on grain production. Since the 1990s, only a few pieces of land were acquired by local government, therefore, the capacity of village collective economies is limited. Learning from the experience of the Village N Community, to ensure the central control of local government, the Industrial Road Street Office (IR Office) nominated a senior officer of IR Office to hold the post of the Residents' Committee director. The new director directly controls the administrative routine in the new community. Meanwhile, the IR Office also empowered former rural collective members and the newly funded collective shareholding company to play a subservient role in the Community T as the assistants of local government. Therefore, the continuities of urban village governance system were transitioned successfully so that they were now under control by the street government.

In practice, therefore, at the decision-making level, the District government and IR Street Office are, in essence, the main decision makers. At the operational level, the role of Director of T Residents' committee is the representative of the street office who supervise community service, civil affairs, community fiscal system and public security. In contrast to Village N, the former village leaders are the committee members who assist the Director in policy implementation. Meanwhile, as former village leaders, during the policy implementation, they always speak for their former villagers' interests in negotiations with the Director of the Residents' committee as well as the IR Street Office. Thirdly, at

the public level, the 'supporting system', like social organizations, and local enterprises participate voluntarily in community services and governance. In contrast to Village N, the village shareholding companies in the T Communities are hierarchically equal to these social organizations, and act only as assistants of the community. Therefore, within this system, the IR Street Office is able to carry out effective vertical management of most community affairs; and is also able to consolidate its power at the grassroots level. The former village cadres were employed by the newly established community as Residents' Committee members; and officially became the governments' staff and workers. That is, the continuities of the urban village are empowered to play the assistant role in the new community, however, they are under controlled by the local government.

### **8.2.6 Summary**

This section introduced the formation of two regenerated village committees. Specifically, it examined how the village governance system has been integrated into the urban administration system, and the how these continuities exist in new governance system in regenerated village communities.

The main difference between these two models is the role of the former village committee and village shareholding company. In a village which has a strong collective economy, such as Village N, the former village committee and village shareholding company are able to dominate the community governance. However, in case of Community T, the village collective economies are not strong enough to do this. The local government dominates the community, and the former village cadres and the village shareholding company only play an assistance role in village governance. The next section will introduce the rationale of these arrangements with particular focus on how these village collective economies backup the welfare of these urbanized villagers.

## **8.3 Trade-off between collective economy and local government**

The institutional arrangement of the new regenerated community is in accordance with the power and capacity of the former village authority. As stated before, there are lots of continuities in the way that governance exists between the urban village governance system and the new governance system in the newly regenerated village community in urban areas. This section covers two main points, first of all, I will explain the rationale

for these continuities. Practically, I will explain how these village collective economies could back up the welfare of these urbanized villagers. Second, I will explain why in some cases, these continuities were intertwined more than others. In this section, I will introduce these through two cases. In the first case, I will examine how, because of the extremely strong collective economy, Village N were able to keep their rural village governance system. The second case will examine how local government can limit the power and role of former rural collective members and new funded collective shareholding companies, and successfully integrate them as government assistants in Community T.

### **8.3.1 Village N**

As stated before, due to the strong collective economy in Village N, the newly funded Village N Community reserves the former village governance system. In this section, I will introduce how the former collective economy was transferred into village shareholding companies, and why the shareholding companies could hold the dominant position in the new regenerated village community.

Village N holds an extremely strong collective economy. To cope with the “double transformation” movement, Village N set up two shareholding companies to take on the duty of economic management in 2006. As stated in Chapter 7, from 2003-2006 the urban village regeneration program caused many conflicts and tensions between Sunny District’s government and Village N. After a three year “battle” between the government and Village N, the district government was acutely aware that the political trust between local government and villagers was weak. As the local government had already acquired the land from Village N, the speed of transformation at this point was no longer treated as a first priority by local government, instead, both Happy City Municipal government and social media put lots of pressure on Sunny District government to complete this “double transformation” process as smoothly as possible. Therefore, the first priority for the local government was to avoid any significant conflict during the foundation of the new residents’ committee and village shareholding companies.

To make a stable and smooth transformation, the local government made many efforts. First, they provided urban household registration (*hukou*) to former villagers, while at



the same time allowing them to retain the advantages of their rural household registration. Second, it maintained the existing village leadership, nominating the former village committee director as the director of new Village N residents' committee and the former secretary of village Party branch as the secretary of Party branch of new Village N community. Third, some of the qualified former village cadres were hired by the local government as formal government officials. Fourth, it endorsed the Village's Shareholding Company to play a role in community governance, not only because the key members of the shareholding companies were the former village cadres with certain credibility, but also because the shareholding companies control the welfare system of their members. The residents' committees attempted to take charge of the community's administrative routine; however, it did not work well due to the lack of economic capacity and personal authority to endeavour to get credits from villagers. On the contrary, Village's Shareholding Company manages the collective property of the villagers, and the villagers can persistently get bonus and other welfares. Meanwhile, because of the residents' committee was treated as the "outsider" of the regenerated village community, it lacks the credibility and political trust. This is because the Village's Shareholding Company is strongly recognized by villagers because of the connection of the asylum relationship. Therefore, in some case, the "dual-track politics" model of community governance exist in the regenerated urban village community. In practice, because the leadership of the village cooperative is composed of the former village's leadership, they gain more political trust than the new urban leadership. Finally, the local government provided financial and human resource support to village authority, and designated staff from the local government to assist the new residents' committee. Therefore, this arrangement allows many continuities of the urban villagers to exist and play a role in the new community.

One of the most important policy instruments employed by local government is the empowerment of village shareholding companies, because these companies can deliver many contributions going beyond promoting social stability. The reason behind this is that the urban government cannot easily replace the authority and reputation of the former village leadership. According to the Vice Mayor of the district: "These village card holders provided a significant contribution in land acquisition. They are the "communicators" between government and villagers. We should learn with them in terms

of how to stay close to the villagers.” The former key leaders of Village N are the Party Secretary of Village N and the Director of Village N. In the era of the urban village, they considered the growth of the collective economy as their first priority and they created an extremely strong collective economy. Drawing on their geographical advantages, since 1990 they have invested in large numbers of commercial real-estate projects in the city that generated abundant profits. Beyond the commercial real-estate projects, the village leaders expanded their businesses to include hotels, the catering industry, and primary education. After the urban village regeneration, most of their commercial real-estate projects were also retained, and the regeneration created more business opportunities for the retail industry. These extremely strong collective economic assets provided legitimacy and authority to the village leadership group, and the N villagers also enjoy the considerable welfare funded by the village collective economy. According to former cadre of the village:

*Our leadership group is great and stable, we took charge more than 25 years and we are deeply trusted by the village. This can help us to make a long-term development plan. We only distribute 40% profits as welfare, however, this is a pretty penny: one shareholder can get more than 31,000 yuan<sup>25</sup>. We will take out 20% of the profit as administrative funds and salaries for cadres. The remaining 40% profit be used as investment to keep growth. This mode is hardly implemented in other villages, because some of them have to spend money to make a dollar. Their development is unsustainable and their Secretary and Director of village won't be stable. Therefore, their people do not trust them, people are worry about the corruption of village leader. Then people would ask for the income from collective land sales or rent to be distributed as soon as they got it. So no village can copy our mode to develop a strong collective economy.*

(Source: Interview with Village Cadre N 1, 2017)

One of most important way for village leaders to gain credibility and trust is that they can provide villagers a stable, abundant, and long-term welfare. These economic arrangements reflect how the village leaders received strong political trust from the villagers, whilst also significantly enhancing the trust of the village authority as well.

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<sup>25</sup> 31000 yuan: about 3480 GBP (1 GBP = 8.9 Chinese yuan)

Based on the long-term political trust, after regeneration, the entity of the new authority of the new regenerated community is the former village authority, which includes the former village Party branch and the former village committee. Nominally, they handle administrative issues under the name of the residents' committee, and economic investment and villagers' welfare through two new funded village collective shareholding companies. These two new funded shareholding companies are collectively owned by all indigenous villagers and under controlled by the former village leadership. In practice, the village collective property was still separated and managed by their five sub-villagers' groups as they did in the urban village. Similarly to how things were managed in the urban village era, the head of the villagers' groups has the autonomy to make decisions in terms of collective property management as well as the investment project. When they sign the contract with others, they will borrow the name of the A or B company, instead of sub-villagers' group. Therefore, in essence, the men with real-power in the Village N did not change.

In 2006, when the administration transfer took place, N Village started a "freeze share"<sup>26</sup> with their indigenous villagers, the first step being to distribute shares to the villagers under the name of these two shareholding companies. Because the village shareholding companies are acting as a kind of collective, only members can get the benefits. Therefore, the "freeze share" acts to align the identity of their indigenous villagers with other new residents. As discussed previously, all the indigenous villagers had transferred their household registration from Village N to urban household registration in Happy City. After they moved into the new communities, the household registration was not able to identify the beneficiaries. Therefore, the shareholding companies allocated the "shares" to their indigenous villages, meanwhile, the "share freeze" suspended the share distributions to every newly born child until they reached 18 years old. In addition, newly registered members (such as new members through marriage) were not allowed to receive shares unless they inherited shares from the other shareholders. After this process, the villagers of Village N successfully protected their economic interests during the transformation, however, as I will explain later, this also created further exclusion for new residents.

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<sup>26</sup> Freeze share: the village cooperative will only involve eligible villagers in the new administrative set-up or those inheriting from other owners

In principle, the residents' committee should take charge of the community's administrative affairs and provide public services not only for indigenous villagers, but also for migrants and tenants. Meanwhile, the shareholding companies should operate in parallel to look after their shareholders only. However, practically, as the components of leaderships of residents' committee and the shareholding companies were almost same; they were selected from the former village committee. As a result, the new residents' committee only looked after their indigenous villagers. Endorsed by the economic backup from shareholding company, the leaderships come from indigenous Village N always exclude the street offices' staff from the important decision-making processes, by organizing a "shareholders' meetings". On the one hand, the shareholding company provides the main budget for community; by contrast, the street office only contributed a very limited amount of budget. On the other hand, this is because the key decision-making mechanism in community governance and shareholding company management is the same as the traditional rural unstructured public deliberation. Particularly, the main component of the deliberation in community government is still "elite decisions respond to persuasive influences, generated either among participations, or in the form of arguments made by participants to decision-makers" (He and Warren, 2011: 274). Village N has a different approach in the guise of the village shareholding companies. They expanded the village governance style and network to the urban residents' community. The former village officials hold the leadership position in both of the two shareholding companies which was headed by the former Party secretary of Village N, the other one is headed by the former Director of Village N. In addition, these two key leaders also became the Party secretary and director of the new residents' committee. Therefore, based on the collective economy, Village N retained their cadres and former village governance system within the regenerated village community. Therefore, the CR street office cannot directly intervene in the collective economy, both the residents' committee of Village N and the shareholding company maintain a certain level autonomy and self-governance.

In summary, the strong collective economy allowed the former Village N leaders to take the leadership positions in the regenerated village community. The local government could not weaken their authority and leadership because their political trust and

authority were endorsed by their excellent performance in collective economy management. Therefore, the “double transformation” movement in Village N only exists on paper. In essence, none of the village governance systems and village collective economies were successfully integrated into the urban governance system. In section 4 and section 5, I will examine how Village N rural governance system performed in the urban area and led the villagers to urbanization.

### **8.3.2 Community T**

The last section explained that the village authority might get an advantage in the administrative transformation if they have strong enough economic power to fund the community's administration. One of the most important indicators is that the candidate of the director of residents' committee will be selected from the former village leadership rather than nominated from street office. Unlike Village N, none of the three villages in Community T had strong shareholding companies. This is because these three villages had few collective properties to manage. In addition, as none of these villages hold dominant advantages in the economy, there was not any one village able to lead the whole community. This created an opportunity for district government to take the dominant position in the newly regenerated village community and weaken the power of the former village cadres as well as the village shareholding companies.

As discussed previously, these three villages had few collective properties to manage during the urban village era. Therefore, instead of seeking continuing profits through investments, these villages distributed all of the land rental income directly to each villager. Therefore, after the “double transformation”, the newly-funded villages' shareholding system was founded with the aim of looking after the unallocated compensations from land acquisition. This is because local government allocated the previous rural land compensation to the village collective rather than to individuals, and the land compensations are paid annually as the ‘land rent’. Because of the insufficient collective investment, share values in these three villages were lower than those of Village N. All three villages retained a portion of collective land in terms of collective property, which is crucial for developing their shareholding companies and pursuing continuous growth. However, the limited capacity of its collective economy was not enough to fund the community. Therefore, the ID street office can have a dominant position in the newly

funded residents' committee: they appointed an official as the director of Community T's residents' committee. Village N, by comparison, benefits by its strong economic power endorsed by their shareholding system, members from the former village authority hold the most influential position in the new administrations in community. As a result, its authority was more limited which allowed the local government substantially more control over the institutional arrangements.

Learning from the experiences of Village N, the district government also endorsed the former village governance system and the newly established shareholding companies to play a role in assisting Community T governance. However, the district government nominated a new director of the residents' committee from the street offices as the highest leader in the Community T. To assist the new director, these former village leaders from the three villages also have a role in the new residents' community board (from member to vice-director). In addition, these three shareholding companies have few collective assets under the former village leaders' control, which provides considerable assistance for new community governance. As a result, the public hiring process was led by the district government, meanwhile, the newly founded T residents' committee consists of well-educated young officials in urban government and experienced village card holders. This is a deliberative arrangement to ensure that the new residents' committee should abide by the current urban "community structure" framework, as well as to ensure that each member should operate according to rules and laws rather than using personal relationships and village ties (Tang, 2015).

### **8.3.3 Summary**

This section explained the rationale of the continuities from the urban village system, with a particular focus on how the village collective economy, in particular the village shareholding company, serves as a backbone of the social and economic well-being of these urbanized villagers. In both Village N and T communities, the continuities existed after the "double transformation movement" by evolving into community authority (Village N) or the collective shareholding company (both Community T and Village N).

In Community T, the residents' committee is dominated by the street office and they avoid getting involved in the activities of the shareholding companies. The role of the residents'

committee is to perform administrative duties, for instance, family planning, household registration and migrant registration. However, in the N Community, both the residents' committee and collective shareholding companies are led by the former village authority, the villagers consider the new residents' committee and shareholding companies as a transformation or a continuation of their former authority. This is also because the former village authorities successfully operate the village shareholding companies and manage the village collective properties. They offered not only the financial capability to provide social welfare to their villagers, but also offered budgets to the Residents' Committees to sponsor the administrative expenses. As the result, despite the fact that those villages are integrated into the urban governance system and are under urban administrative command, as will be explained later, the former village authorities and their village shareholding companies perform most of the social, political and economic activities associated with community life.

As will be discussed in later sections, the field work revealed that the villagers still frequently ask the former village cadres for help in their daily life, such as intervening in local conflicts, applying authorizations, and so on. This is because they not only have rich local knowledge, but also have an extensive social network among the residents. This gives them credibility in both villagers' daily life and community activities.

#### **8.4 The Introduction of the Property Management Company (or The Introduction of Property Management Companies)**

For the purpose of forcing the urban village regeneration process, a series of policies have been released, providing the discrepancies between the government's idealized plans and villagers' practical demands (Tang, 2015b: 150). This is because under the current political context, the visible urbanization <sup>27</sup> has become increasingly crucial for government officials to demonstrate their performances to the superiors for their career promotion. Consequently, such "promotion-oriented incentive" has resulted into a number of short-term, purpose-specific domestic urbanization policies" (Tang, 2015b:

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<sup>27</sup> Refers physical development and economic performance, such as real estate and industry development as well as the growing ratio of the urban population

150)<sup>28</sup>. Through a policy of “*introducing property management company into regenerated village communities*”, we can observe the unstable alliance between district government and the regenerated community authority. This section will explain how the implications of the policy failure to address the practical problems sits within the social, economic, and political context of regenerated village community. Meanwhile, the policy implementation process also reflects the “problem-solving function” of the traditional rural deliberative system.

#### **8.4.1 Introduction of property management companies in China**

The term ‘property management company’ is a form of private professional enterprise, which provides community maintenance services as well as management for a particular community and charges the residents or landlords a fee. With charge the landlords or residents for a respective fees from. In China, private firms started to participate in the domestic public service provision by privatising the urban grassroots administration in the era of the 1990s. As discussed in previous Chapters, the urban land use rights could be shifted and traded by the local governments; meanwhile, urban citizens were permitted for purchasing the property, the Dan-wei (work-unit) no more constituted as the only housing supplier since the private sector started investing into the urban real-estate market. The explosive growth of the commercial housing market generated a large demand for public service provision and basic infrastructure coverage. This change also generated the explosive growth of the property management industry services in urban communities such as infrastructure maintenance, cleaning and security guards.

In the newly built commercial residential community, the property management companies took place of the Dan-wei in the provision of various public services, besides holding a responsibility to all of the residents and landlords of the community. In comparison to the Dan-wei system, in a commercial residential community, a property management company is recruited by the residents and landlords instead of offering free-of-charge community services to secure worker’s wellbeing. Practically all of the community members (instead of only urban households) can enjoy the services while

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<sup>28</sup> Tang (2015b): the local official will separate the command from upper level government into quantizable indicator. To gain the advantage in career promotion, they will prior the quantizable short term task rather than long-term sustainability.



they paid for the service charges. Furthermore, the property management company can strike the service and quit the community if the community does not pay the bill on time. In the meantime, the sector was competitive and, as such, the residents could select from a number of real-estate firms. Since the 1990s, the property management industry has rapidly grown assisted by the national government's policy assistance to become a pivotal constituent of the community-building movement. In this movement, the government fully affirmed the role of the private sectors, meanwhile, the public services provided by private enterprises extended into many fields, such as infrastructure maintenance and coverage, sanitation, letting agencies, greening, public security, and services for the widows, disabled, the elderly and so on. At present, the majority of the Chinese urban communities have employed a property management company, together with outsourcing the growing types of community service to private enterprises. Currently, the property management companies are not only employed in the commercial communities, but are also employed in Dan-wei's accommodation communities. As a stakeholder, the property management company has commonly found contacts with the Residents' Committees (or Landlords' Committees), meanwhile, it play a crucial and active role in public security and sanitation, delivery, environment maintenance and neighbourhood landscaping.

In the era of the urban village, the street office, besides a village committee, complementarily contributed to the social wellbeing as well as service supply. The duty of neighbourhood management remained underdeveloped until the urban village regeneration and the introduction of "double transformation". The policy of "double transformation" requires the regenerated village community treat the neighbourhood management as paid services that should be delivered commercially. However, as I will discuss later, it is difficult for the professional property management company to be recruited by the regenerated village community. This is not only because villagers are reluctant to pay the maintenance fees to property management company; but also because villagers have some difficult in getting used to the new urban lifestyle.

#### **8.4.2 Challenges of "unaffordable charges"**

As stated previously, the first challenge for the community was that the residents in the regenerated village community were reluctant to pay the fees for property management

services, and furthermore, some of them could not afford these charges. Therefore, it was difficult to recruit a property management company in the regenerated community. As a consequence, the community is lack of maintenance because the duties of the remaining community were left to the residents' committee and the residents. This situation is different from that of the urban villages' era. Firstly, this is because the urban villages remained in the rural governance system, and the rural villagers were funded by the government for public services. Therefore, the village and the public infrastructures were maintained by the village committee, and villagers did not have to pay any fees for this public service. Secondly, in the era of urban villages, the village committee could receive additional money by renting their assets to outsiders. For example, the village committees could operate the car parking rentals and street booth rentals businesses and these incomes could be used to fund the urban village maintenance services. Finally, as discussed in Chapter 2, the condition of urban villages is poor and chaotic, however, the village committee are not expected to spend more money to provide better living conditions to the public.

While urban villages have been regenerated into new communities, the acceptance of normal urban commercial services has not been smooth. The first reason for this is that the residents' committee "is forbidden to tap into market resources" and has therefore "turned into a purely administrative agency" that is no longer allowed to charge any rental or maintenance charges (Wu, 2018: 1186). As the result, the residents' committee cannot get additional funds for maintenance by operating businesses. Secondly, the street office allocates the budget of the residents' committee, however, the budget is far from sufficient to maintain the community. This is because before the integration, these villagers were self-funded by their village collective, the government did not have enough budget to fund these new citizens. Therefore, it is impossible for the residents' committee to pay for a professional property management company. Finally, the policy of "integrating urban villagers and urban villages into cities" requires that the regenerated village community provide higher-level living conditions to residents, which generates higher costs than the urban village maintenance.

As discussed earlier, in urban communities, the duty of community management is taken by the professional property management company which is collectively hired by all

apartment owners. All the costs of community management and maintenance are paid by the landlords. However, collecting property management fees from villagers is never easy. Because the villagers were reluctant to pay the property management fees at the very beginning, the street office had to require the residents' committee to do as much as they can. This situation happened both at Village N and Community T. According to the director of Village N.

We tried very hard to solve this problem. At the very beginning, we tried to find a qualified and professional property management company, because we don't have experience to deal with issues of high-rise housing. But the final result is that we hired some old villagers from our community to serve as a property service company. This is because the qualified and formally managed company is costly, and villagers do not want to pay for this. Some of them cannot afford these fees. What we can do is to hire some unemployed villagers to take this duty. Although this is not good enough, but this choice is affordable.

(Source: Interview with Director N, 2017)

The failure of introducing the professional property management needs the village shareholding companies to maintain their role in neighbourhood administration. Opposite to the urban villages era, which drew income for the village collectives' properties (car parking rentals and street-booth rental businesses), the new regenerated community does not possess these assets in order to create income. Faced by these challenges, two communities adopted a different way to solve it. Based on the strong collective economy, the Village N decided to pay for all their shareholders only. Before the regeneration, the Villages are recommended to register a company by local government. The village allocated the membership to each villager. The new-borns won't have a membership but they have right to inherit a membership from their parents. For the service costs, each resident (both members and the incomers) should pay the cost to the shareholding company first, the money will be refund to each member at the end of the year. However, as a collective organization, the village shareholding company cannot keep continuing to pour money into community services without approval by the villagers' congress. In addition, it is also difficult to explain the cost to the villagers. As the Director of Village N recalled:

*Everything needs money in this new community. Some of the money spending is acceptable for the villagers, like replacing broken windows, lights, and cleaning. This part is the same as what we did in urban villages. However, the new community has many areas where you spend a lot of money but you cannot observe where it has gone. Apart from the professional repair and maintenances fees, the energy costs of elevators, public lighting, and public security systems are very high. In addition, maintaining trees and grass in public green spaces is also costly, because of water, fertilizers, and disease prevention. I just take some examples. We have to explain and persuade the villagers to accept these.*

(Source: Interview with Director N, 2017)

To accept the property management services and charges was one of the transition difficulties for the villagers. Faced by this lifestyle change, the villagers had no choice except to accept it. From the local government's perspective, both indigenous urban villagers and migrants are welcome as they not only boost the local economy but also promote the land market. However, more importantly, the local government requires both villagers and migrants to be managed under the urban community model for the sake of the urban and neighbourhood image.

According to the Director of Village N, the introduction of property management services is a good chance for villagers to make sense of the urban lifestyle:

*Unlike in cities, rural areas used to have government funds for public services. The rural areas are all production teams that are responsible for their own profits and losses. To be honest, farmers used to live in this kind of garbage, sewage turbulence environment for a long time, it should be said that they have become accustomed to this living environment and lifestyle. But now, our economy is developing and our living standards need to be improved. After moving into buildings, garbage will be collected, sewers, and urban and rural disparities are resolved in public services and infrastructure. This material improvement is easy, but the biggest change is mental quality, which is a long-term process.*

(Source: Interview with Director N, 2017)

The management fees are collected by door-to-door visits, which is a good opportunity to explain the reasons and costs behind the fees. However, as discussed before, the Village N Shareholding Company and the Village N Residents' Committee are almost the same. Finally, the Village N Shareholding Company not only takes the duty of services but also pays the property management fees for their indigenous villagers under the name of Residents' Committee of Village N. As a result, wealthy village cooperatives have played a more influential role in the local decision-making process because of the patron-client relationship with their Street Office and residents' committee. As explained later, this relationship also affects local policy implementation in guiding the villagers' struggle to adapt to the new urban lifestyle.

The situation in Community T is relatively more difficult than Village N. This is because their community no more belong to their former village, instead, villagers from three village share the same infrastructure, public space, and facilities in same community. In addition, the new Director of the residents' committee and the newly-hired community staffs had barely local knowledge in order to solve the difficulties of introducing property management service. As a result, the Community T turned for help to the three villages' shareholding companies. The property management company in Community T is co-managed by three village shareholding companies and takes the duty of property management services. In contrast with the Village N, because none of the village shareholding companies were willing to pay the costs for their shareholders (villagers), the property management fees were collected from each household. Because of some of the villagers were reluctant to pay for the property management fees, these three shareholding companies decided to take the credit of management fees directly from the villagers' dividend. As a cadre in the village shareholding companies stated:

*We don't resistant. In fact, we cannot make our lives without enough money.*

*All we can do is identifying malfunctions and fixing tiny problems.*

(source: interview with Village Cadre N1, 2017)

The villagers were dissatisfied with this action. One of the villagers argued that he refused to pay the management fees because they were dissatisfied with the services:

*Their capacities at most is to fixes and repairs tiny problem. When we face the big problems like repairing the elevator and water supply system, we should wait very long time. Sometimes, they cannot handle the sewage blockages.*

(source: interview with Villager N 3, 2017)

Clearly, the services by the village shareholding company have been constrained by professional skills. This problem was very common in the regenerated village community (He 2015, Wu, 2018), however, this is also because they were constrained by the low standard charges. According to the community cadre of Community T:

*After the entire relocation, this new community management is a big challenge, even if you want to save money, you still have to manage and solve the problem. We set up our own council and managed it ourselves. Our property management is directly assumed by the board of directors. We have investigated that the average charge for a normal commercial property management company in the upper block should be 0.45 yuan per square meter, while our charge is only 0.2 yuan per square meter. We don't make money from it, we just care about the cost and we can guarantee the basic operation.*

(source: interview with Staff member T, 2017)

The conflicts between villagers and the community's property management services generated both internal and external pressure for both the Residents Committees. Within the community, villagers not only complained about the low-standard services, but they were also angry with the fees were collected. On the other side, the villagers complained to the media that the residents' committee and their village shareholding company were stealing their money. The residents' committee and street offices also felt powerless to resolve this problem, as they only had very limited resources and funding from the government, and these resources were far from enough to hire a professional property management company. Being a cadre in a residents' committee within a new regenerated village community is not easy, and often means working overtime. This is because the residents' committee have to take on the duty of guiding the villagers' civilization.

*The community should lead these farmers to adapt to the urban life to get rid of this stereotype. The urban community is not a new thing to the urban residents, but for them, it is a new thing [...] Farmers are also normal people. When they first come into contact with new things, they need a process for adaptation. Once they understand, they will naturally abandon some backward and inconvenient habits. That is why farmers gave up using*

*bicycles when they have motorcycles, they gave up motorcycles when they have cars, now they have cars, and they also want to have electric cars or new energy vehicles. This is a process of renewal. It takes time.*

(source: interview with Official J, 2017)

As a result, the policy of the *introducing professional property management companies into regenerated village communities* failed. Surprisingly, we see the traditional deliberative governance culture of the village playing a role in problem solving. Using this case as a lens through which to examine this process, we can observe how the unstable alliance between district government and the regenerated community authority is due to the gap of lifestyle and political culture between villagers and urban citizens. The urban project-based command-and control system is difficult to accept by the villagers as they are used to the traditional political culture of village deliberation. They believe that they have right to participate, at least to ask for the information behind decisions. For example, the village shareholding company had to explain the maintenance costs to their villagers and get approval from them. However, differently to the project-based command-and control system in land acquisition, both the Street office and Residents' committee demonstrated a relatively more deliberative attitude with greater patience. As I will explain later, although on the one hand, the involvement of the village Shareholding Company solved the problem of community maintenance, on the other, it reduced the authority of the Residents' Committee.

### **8.5 Challenges of Changing Lifestyles and the 'Civlizing Offensive'**

As I discussed previously, the villagers experienced transition challenges in their daily life after they moved in a modern urban community. Village cadres play a significant role in helping villagers adapt to their new urban life, such as intervening in local conflicts, applying authorizations, and so on. This is because the board members with extensive local knowledge and dense social network in the regenerated community are highly trusted in villagers' daily life and community actives. In this section, by using cases of a civilizing offensive as examples, I will explain why the former village cadre performed better than residents' committees in persuading the villagers to abide by the regulations. The evidence shows that, compared to the Residents' Committees, who govern the village

through issuing government 'commands', the former village cadre rely on more deliberative means: such as providing reasons in order to persuade villagers to change their live style.

Compared with other urban communities, Residents' Committees not only perform public services duties, but also compel former villagers to integrate into urban life. This process affected almost thousands urban villagers in Sunny District and rapidly caused a conflict between former villagers and residents' committees. The Committee listed many 'uncivilized' behaviours which included: feeding fowls in public areas, cultivating in public green spaces, throwing garbage out of the window from a high rise building, occupying public spaces, etc. These actions also caused strong resistance as the villagers complained that the Residential Community bullied them because they were discriminating against 'traditional rural lifestyles' depicting them as 'offensives'. The complaining raised a debate about how to distinguish between a 'traditional lifestyle' and an 'uncivilized behaviour', as well as how to 'civilize offensive behaviour'.

The controversy between 'uncivilized behaviours' and 'discrimination' had been raised before the T Residents' committee had been introduced into villagers' lives. As soon as the regeneration project started, cadres from three former villages organized a temporary council to manage the issues around the reallocations. The temporary council categorized 'uncivilized behaviours' as the most important task because these behaviours not only negatively impacted its public image, but also caused risks for public safety. After a short discussion, the three former village committees formed temporary leadership groups: the three former directors of the village were constituted as a standing committee. Every decision about the whole community would firstly be discussed at the standing committee, and tasks would be separated village by village. That is, former villagers within this community were still governed by their former village committee. The temporary council of the committee laid out a list of prohibited behaviours: they visited several reallocated villages to learn of their experience. Based on their experience, a draft of prohibited behaviours was issued, and processed for opinions collections. According the Deputy Community directors:

*We were anxious that our community were at risk of turning back into an urban village image, if we did not stop it. ...We only prohibited very limited*



*behaviours that might affect public security and public interest. However, when you talk to the villagers, they won't take these behaviours as a serious matter. But it has a very significant risk if we put these into this community. We need to involve some strike and force action to prohibit it. The starting point of these rules is fewer than now. We modify the rules according to our experiences of routine administration.*

(Source: Interview with Staff member T, 2017)

As soon as they received a draft, the temporary council organized a series of lectures and forums to persuade the villagers to follow a 'civilized lifestyle'. However, the actions around 'civilization' were questioned as 'official discrimination'. As soon as these villagers moved in the new community, this criticism came, not only from public sources, such as the media and various scholars, but also from an insider in local government. According to the former vice mayor of Sunny District:

*In the global perspective, China's urbanization process is not based on human-oriented urbanization, instead, it is oriented by physical urbanization, or land-oriented urbanization. In this mode of development, we lose the real economy development space as well as the chances of low-cost development. When this kind of urban landscape is formed, it forms the realistic exclusiveness and the "urban cleanliness". Urban subjective designers and city managers are mostly advocating of "urban cleanliness", who cannot see the chaos in the rapid growth of urbanization. If the appearance of the city is not standardized, it is unacceptable to have a gap between the level and hygiene of vendors and the requirements of the government. Industry has also attached importance to high-end industries, and do not allow "basic services industry" to exist, a large number of exclusions of the market. However, we cannot do anything but follow [this trend], otherwise, we cannot catch the chances.*

(Source: Interview with Deputy mayor of Sunny District)

Under this "urban cleanliness" policy, the villagers were forced to participate in many public lectures about a "civilized lifestyle". Some villagers criticized them arguing that the local government bullied them via an unequal social structure, education levels, and personal skills.

*They invited an expert to introduce the 'goodness' (Meide) and 'civilization' (Wenminig) for us. I still remember that feeling. The expert thought he was standing high above us. I can only feel the discriminations and pressures... How can I make a debate? He is the expert. I just expressed my dissatisfaction but I can't make an argument.*

(source: interview with Villager N 1, 2017)

*The council just wants us to follow their rules. They want to follow the local government. Because they want to keep their position of leadership. We don't believe the expert, but I can't express my opinions.*

(source: interview with Villager T 4, 2017)

It should be noticed that, in terms of the skill of expressing opinions, villager H and villager G are better than many other villagers. During the interview, I found lots of villagers had difficulty expressing their experience and opinions. This is because they are not good at articulating their needs and opinions, they have difficulty adding their voice to the decision makers' throughout the deliberations. The forums and lectures failed and generated tension between villagers and the temporary council. To reduce the tension and pressure, these village cadres started to discuss the issues around a 'civilized lifestyle' through street talking. The council needed to reduce the tension because they needed to ensure that they had enough supporters to handle the public issues. For example, after these villagers moved into the Community T, some of villagers cultivated vegetables in the public green space. Although the temporary council made the decision to punish these behaviours, they still collected public opinion. According to the Deputy Community directors:

*We need the public supporting us, we need to explain something to them. We adopt street talking and door-to-door visiting rather than a formal residents' congress because an informal setting helps them feel easy to speak out [...] we did not need to get an authorized result via a formal meeting, but we wanted more supporters to support us. It is crucial that we could get support from the majority of residents.*

(source: interview with Staff member T, 2017)

It is clear that, the culture behind the street talking and door-to-door visiting allowed for deliberative communication. Before the Temporary Council<sup>29</sup> took action, they adopted these informal actions to set up a channel of communication with the villagers. Compared to holding a villagers' congress, these informal actions were much more effective to communicate with public. However, as these actions were not taking place in a formal setting, sometimes, the conversations were confidential. This meant that any actions were always questioned and described as 'back room deals' by any opponents. According to the villagers:

*I don't believe what they say. A hundred households planted vegetables... They ask me to follow the people. In fact, I think whatever they want to do, they will tell us this is public opinions.*

(source: interview with Villager T 5, 2017)

*They won't ask my opinion. I have very bad relationship to the director, our representatives never ask me anything. Sometimes, they just inform me some decisions, and sometimes, they won't let me know anything.*

(source: interview with Villager T 6, 2017)

According to these two villagers, the fairness of these actions should be questioned. The decision maker might establish obstacles for the opponents by limiting their opportunity to voice their arguments. Because any actions taken were based on a system of personal networks, the villagers believed mediators might be biased about the participants.

This generated another issue. The credibility and authority of the village committee was situated on the cadres personally rather than on their 'title of leadership'. Most of the villagers I interviewed expressed that although they respected other members or staff within their community, emotionally, they preferred to trust their former village directors. This is because the village director had taken charge in their village for a long time and, therefore the villagers tended to respect the individual performing the role, rather than the title of the role. However, this situation generated a big challenge in the Community T, as it was created from three villages. As soon as they moved into the new community, the village directors found it difficult to gain the credibility and authority

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<sup>29</sup> Temporary Council: a self-governance action, before the government introduce a residents' committee into the community, the temporary council acts as the authority of the community.

necessary to lead the new community as a whole. According to one of directors of the Residents' committee:

*There are huge differences between working in the community and the village. We are struggling together to find a right way... as you see, currently, all of the staff in the community work collectively in the same office. Compared to the former village council, this reception is symbolic... Only the title of leadership is nothing, as we don't have any credibility for the residents from other villages.*

(source: interview with RC Director T, 2017)

As a result, the local government endorsed the temporary council and integrated it into the Residents' Committee. The three former village leaderships were nominated as three deputy directors, and the government designated a director from the street office. In terms of conflict solving, the former village leaders took charge of the issue and made the decision individually when the conflict was raised by their former villagers. According to the former village directors of the Village B in Residents' committee:

*Because the village has their individual administration system, village affairs should be agreed within the village, so I as the former cadre of village A cannot participate in village B affairs. Commonly, these villagers are habituated to our former institutional arrangement, they want to find their former village cadre to solve their problems or to make a judgement. They don't believe a new authority from other villages as well as local government.*

(source: interview with Village Director T 2, 2017)

Under that arrangement, their former governance techniques were still valid in practice. It maintained the community governance by combining urban services and rural deliberations. Compared to the urban government officials, the former village cadres not only have more credibility, but also have more local knowledge. Their sympathy, and empathy were also key to maintaining communication as they offered villagers a more in-depth understanding of the issues than local government staff.

As discussed previously, compared to the residents' committee and actions from the street offices, the former village cadre played a significant role in civilizing offensives. Similarly to the policy of the introduction of a property management company, the

residents' committee and local government failed to address villagers' traditional life and their practical needs. During the process, key elements in keeping the conversation going were the pursuit of practical resolutions and the understanding of the problem, or, at least, showing their sympathy. Personal authority and credibility contributed to the village cadres' effectiveness in organizing residents' meetings to discuss solutions. In addition, another significant finding is informal deliberation became increasingly important in solving local conflicts, collecting opinions, and keeping the conversation going. This change will be discussed in next section.

## **8.6 Transformation of deliberation:**

### **8.6.1 Ownership and participation**

I will argue that the local political participation was weakened because of the transformation of the land ownership (from rural collective ownership to state ownership) and people's acquisition of private property. Existing research (Sargeson, 2016; 2018) could support this argument, they find out that "collective land ownership is conducive to democratic participation" (2018: 321). The comparison between the urban/rural era and the urban regenerative village community reflects how land ownership changes could affect the residents' political participation. This problem is more pronounced in China because land acquisition is for urban expansion and ongoing personal property registration tests. The collective land ownership of village and village joint-stock enterprises is transformed into urban communities, which brings risks to self-government. This is the only government stage in China in which the public can directly elect leaders, withdraw members of the committee, participate in and supervise the decision-making (see Chapter 3).

After the reallocation, these new urban residents seemed reluctant to participate in community self-government. As mentioned in the previous sections, they use the institutions and institutions of community autonomy to defend their homes through petitions, lawsuits and protests. Previous studies have shown that the quality of procedural elections and public participation in urban community elections is lower than in villages, and members of community self-governing organizations usually act as higher-level governments rather than resident representatives (Sargeson 2016; Heberer, 2009). Although existing research (Sargeson, 2016; Heberer, 2009) sketches the effect of

political participation and property regimes in both urban communities and rural village, few have shown how urban village regeneration and village urbanization affect political participation in new regenerated village communities. In addition, Rollo (2017) points out that the villagers silence (exit and refusal) is not only due to a lack of economic and land-ownership, but is also rooted in cultural restrictions on representation.

This section focuses on the non-speaking citizen who is unwilling to participate in community issues. Utilizing the case of transformation of the 4+2 system, I will explore the reasons for this unwillingness to participate. As I will discuss in this section, villagers refused to participate with excuses such as: lack of interest and lack of time. The reasons behind these excuses were rooted in lack of political trust. Because of their previous relevant experiences in land expropriation, some villagers believed that the local authority may not be communicative and the deliberation organized by the residents' committee and local government was exclusive and unequal. However, the fieldwork shows that informal deliberation remains an effective way of rebuilding political trust and a platform for communication.

## **8.6.2 Story of the transformation of the 4+2 system**

### ***8.6.2.1 Lack of motivation***

In previous chapters, I stated that deliberation, in the context of urban village regeneration, is part of a complex political-administrative system. Such institution of the deliberation in neighbourhood has been transformed from "controlling rural neighbours" into "controlling urban societies". Within the whole political-administrative system, the '4+2 deliberation system' contains diverse forms of formal and informal deliberations and negotiation, and played a significant role in developing a consensus on compensation and the reallocation process. After the administrative transformation in the new communities, the 4+2 system also fits into the new community administration system. Learning from the experiences of former urban village regeneration projects, the district government believed that the former village leadership and the former village governance system could significantly reduce the conflict between government and public by building a platform for communication. Therefore, the district government encouraged communities, even government branches and departments, to borrow from the experience of the village 4+2 system in policy implementation.

As discussed in Chapter 7, deliberation in the new community is rooted in the former village 4+2 system, which is designed to enhance the efficiency in implementing policy and solving conflicts. However, after the reallocation, the system should have been readjusted to fit the changing social and political context. First of all, district government and community authorities targets were effectively changed from the relocation of villagers to their stable 'civilization'. The priority of implementation was social stability rather than efficiency. Second, the public no longer participated in politics with enthusiasm. This is because, within the community, affairs did not directly affect or contribute to their economic income, instead, participation took up their time. Throughout the fieldwork, almost none of the young employed adults showed any interest in participating in community governance issues. According to one interview source:

*I priority is to make a living for me and my family. I am not defaulting management charges and I do not need to claim the subsidy for low-income from government, so, there are no reason for me to be an activist?*

(Source: Interview with Tenant 1, 2017)

*This should be the matter for the community. We paid management charges and we don't have to pay with more time.*

(Source: Interview with Tenant 2, 2017)

*I attended a residents' congress once, most of the participants are elders. Why I have to waste times with these elders?*

(Source: Interview with Tenant 3, 2017)

These low participation rates required the new community authorities to find an alternative means of collecting information, as their former 4+2 system was not effective in mobilizing residents to participate in this new formal governance structure. This situation contrasts with the era of land expropriation in urban village regeneration. At that time, the participation rate was much higher than in the current situation, because the villagers desire to protect their rights and defend their interests in the collective land. This motivation encouraged the villagers to spend their time to participate the meetings.

However, the community's affairs rarely significantly affect their interests. The director of the residents' committee blamed the low participation rate and poor participatory quality of residents in his neighbourhood:

*It was almost impossible to get positive feedback in the community congress. Residents are only interested in entertainments like singing and dancing, but no one contributes, even pay attention to the neighbourhood affairs. Only few people focused do the work but majority people joined in the fun.*

(Source: Interview with Staff Member T, 2017)

To overcome this challenge, the Director of the T Residents' Committee met with the former villager cadres time after time to present these cases, although, as the interview acknowledged, villagers were even reluctant in discussion when dealing with the policies introduced by local government. As discussed in Chapter 7, to implement the regeneration agenda, the district government set stage 1 of the 4+2 system in motion by sending its policy into the community authorities to collect opinions from the community's Party members and community members to outline the proposal. To implement the policy of "double transformation" and "integrate villagers into the city", the initial information and consulting initiative gave the district government insight into the context and challenges of the community from the perspective of the community's authority. Through the policy implementation and consulting, the district government leaned local knowledge. As the lowest government branch, the street office would represent the district government to list the challenges and draft proposals for implementation. Learning from experiences, the staff from the local government changed their working style, to make the villagers more willing to communicate with the staff. The form of communication was crucial in order that officials could show their deliberative attitude. According to the interview source:

*In the past, some leaders came to the grassroots to direct their work and introduce policies to the masses on behalf of the upper echelons, all of which were official terms. Although these official terms are scientific and accurate, they are difficult for many people to understand [...] So now, starting with the general secretary, we will tell you in the most accessible way every policy: what are we going to do, why we have to do this, what we can get when we do it, and what difficulties we have when we do it. We understand that we are*



*willing to listen, understand and communicate with the government.*

(Source: Interview with Official C, 2017)

The interview reflects that the form of communication should be parallel in with villagers' capacity, otherwise, it has the potential to cause further exclusion. This is because the villagers might not be able to understand professional terminology. Previously, the 4+2 system was used to facilitate those participatory activities on public affairs in village committees. In this case, the mechanism of the 4+2 system still exists in regenerated village communities in order to engage villagers in the discussion and decision-making process. However, the participation rate of ordinary people was low because of a lack of motivation. Therefore, I argue that the ordinary urban villagers still have a space to speak and act in the regenerated village community, but they prefer to "keep themselves away from public affairs".

#### **8.6.2.2 Passivity and silence**

In the eyes of ordinary people, although there is room for speaking, many people still like to remain silent. This kind of passiveness is obvious when interviewing local residents. During the fieldwork, the villagers said that they would rather remain silent. This is because they feel "helpless" and "powerless". This view holds that there is a sense of uselessness when talking to anyone about their opinions, and that villagers are unaware of their opinions and interests, all of which hindered their intention to speak out. Thus, this "alienation" resembles the "participation strike" (See chapter 4) in the regeneration process in essence. The "alienation" itself is a feature of the dispersed Chinese deliberation system as well as a feature of "untutored consciousness of political right" (*zifaxing quanli yishi*) which refers to spontaneous actions from villagers to express their dissatisfaction. During interviews, the villagers expressed their disappointment, which was rooted in their former experience of the regeneration process:

*I don't think I need to participate in that meeting. These events are organized for the elders, just leave these things to them [...] They [the residents' committee] can do nothing, they achieved the government target, we are not important now.*

(Source: Interview with Villager T 5, 2017)

*I'm not against them, but I'm very busy and I don't have time on these things. If I close the door, I can isolate myself from this community. So it's none of my business.*

(Source: Interview with Villager T 6, 2017)

The first part of interview above mentioned that organizing events for elders is an important political instrument in community governance. This is because in the era of the rural village and urban village, the elders always lived with their children and grandchildren. After retirement, these elders had sufficient time to participate entertainment events and some meetings for community affairs. Because of the difficulty of accessing residents of other ages, as an alternative, the residents' committee contacted the elders and asked them to speak to their families. For those residents who lived independently from their elders, they were usually reluctant to get involved with the residents' committee. This is not only because there was not any necessity to be involved, but also because the residents' committee were always powerless to help. This is rooted in cultural restrictions on representation in terms of respect of elders in families (*Xiao*), and to "remain silent if it is none of my business" (*buguan xianshi*).

These current negative reactions to the call for deliberation are evidence that the villagers easily compromise and show apathetic attitudes until they face significant property and economic rights' disputes. This apathetic attitude is increasingly significant particularly when viewed within the context of asymmetries in power and resources. This is because, in contrast to urban community issues, in the relocation process, the villagers drew attention to the lack of legitimacy of the regeneration process and engaged in such drastic acts because the actions highly affected their economic rights and properties. In this sense, superficially, these refusals to participate further are also because the issues lack traction in terms of economic value. However, the underlying reasons for the villagers' refusal is expressive of (or reflective of) their disillusionment and lack of faith in a communicative setup that betrayed its own stated goals.

*The meeting spent much time on the small issues. We don't care about these small things. But the important decision making is never open to us, and I also believe the director of our community is not qualified to participate. Our meeting is worth nothing.*

(Source: Interview with Tenant 8, 2017)

This statement reflects the existing research on “everyday deeds” and “everyday talk” in deliberative system taken by Rollo (2017), the “use of institutional privileging” to promote participation harms authenticity of the deliberation, because it cannot deliver a non-coercively communication. Rollo comments that: “institutional privileging of speech in all sites of deliberative systems risks the erasure of the enactive contributions citizens make in sites that focus predominantly on deeds [...] The privileging of deliberation can compel citizens who are otherwise unwilling or unable to speak to enter sites of deliberation with inauthentic claims strategically designed to circumvent the obstacles present in unresponsive or hostile contexts of dialogue” (Rollo, 2017: 602). This is also reflected in further government actions in informal deliberation.

### **8.6.2.3 Role of informal deliberation**

For example, as an alternative, both residents’ committees and the village Shareholding Company resorted to face-to-face contact to enhance the participation rates. Both the street office and the community believed that they could persuade the villagers to cooperate with them through street meetings and door-to-door visiting. As I identified in an earlier chapter, ideological cultivation as well as in-person persuasion is an important governance instrument in rural China. This provides the space for informal form of authority in the rural area. The successful implementation of “4+2 system” in the previous demolition process gave local government and former village cadres a strong confidence: they believed that the “4+2 system” could rebuild political trust and enhance the participation rate. It is through the practice of the “4+2 system”, which is an efficient way of promoting formal deliberation and delivering moral and political ideologies to the public, aimed at ensuring the smooth government operations. Furthermore, the in-person persuasion constituted an informal, gentle, but comparatively more productive, approach of resolving the confliction in the village. According to the speech of the Director of the IR street office:

*Every individual requires continually working on the ideological and propaganda, together with enhancing the understanding, enhancing the understanding and reaching a consensus on community building.*

(Source: Interview with Official J, 2017)

In the interviews with the working groups’ members, three approaches of “ideological propaganda” are figured out. First, the former villagers’ committee will organize

discussions with villagers, aimed at discussing the tasks of the civilizing offensive. They think their actions can deliver better living conditions. Second, through dispatching the working groups to visit and persuade the households who strongly oppose their actions, they hoped to enable the villagers can discuss their concerns. Thirdly, through street talking and organizing events to create changes they hoped to connect with villagers. According to the Director of the T residents' committee.

*We designed a lot of games, and in order to solve their villagers' habit of littering, we promoted a method of making enzymes (a kind of biological product, which can be used to make toilet soap or wash powder), and we took the orange peel and the watermelon peel that they might litter to the community, and after six months of fermentation, it can be used to make the enzymes wash. We want to encourage residents not to litter the public space, so for every ten empty bottles, they can exchange for one bottle of the enzyme in here. It can also enhance the cohesion of the community.*

(Source: Interview with RC Director T, 2017)

This ideological work is crucial for the new residents' committee, because, in contrast to the elected village committee, the new residents' committee is nominated by local government without any elections. In addition, because of the historical conflict in land expropriation, the villagers did not trust local government. Compared with former village cadres, the community cadre from the local government does not have their interpersonal network, therefore, they have to enhance their personal reputation and political trust through community organized events. According to Wang (1999), family-based social relations might not be dominant in the modern China, however, the interpersonal network and personal relationships still influence the people's understanding of rights, value and themselves. In addition, the government officials repeatedly emphasized the importance of face-to-face communication with villagers in my field works. They believe that this is the best way to directly understand the villagers' needs and express affection for villagers. Therefore, they believe that they can create a more comfortable environment for the villagers to express their concern to community through the events, or at least, these events can enhance their personal relationships.

*Our community carries out activities based on this and according to this*

*demand. At first, we gave the elders a free haircut every month. The haircut looks very simple but is necessary for elders. This matter depends on the volunteers we recruited. At beginning, people also said that we were making a political show to the leaders, and did not believe that we could stick to it. But this activity of ours has continued. The starting time of our activity is 8: 30 a.m. those elderly people are queuing up at 7: 30 a.m. every time. Then [they] slowly appeared to help each other occupy the position. We began to demand that we must arrive here and issue the number on site. In this way, an order has been cultivated and their awareness of that order has been established. Let them form this kind of self awareness. This virtually lets them know to obey the rules. Since we stick to it and the common people can see what the community is saying, they will know that we are not doing anything to cope with the leadership check, but doing something. This establishes a trust relationship with each other.*

(Source: Interview with Official J, 2017)

This statement shows that “reputation” plays a significant role in social interactions; and it also reflects the significance of “informal authority”. Compared with urban areas, the kinship and personal ties in rural area are closer. This social context promotes the village committee to some employ some deliberative democracies due to network relationships. In rural China, the traditions, norms and symbolic values significantly shape the people’s daily activities and conception (White, 1999). Moreover, the local leaders directly elected by the villagers are influenced by social culture; meanwhile, villagers are intertwined by personal relationships and informal networks. In a society centered on relationships and descent, reputation is important to improve a person's qualifications, thereby establishing and developing these personal and informal relationships. Therefore, reputation can be further developed through the transfer of the kinship network from one party to the other. As we can observed, "reputation" can informally come from personal interaction in the village. Fan (2000) believes that in Chinese traditional culture, a set of core values -, morality, trustworthiness, integrity, shame as well as fear of shame are all related to the “reputation”. However, the discussion above is only from one side. The “haircut case” also reflects the “predominance on everyday deeds” of a deliberative system. The “everyday deeds” of the residents committee can reduce the villagers’

concern of “strategically designed deliberation”. The positive everyday deeds can unblock obstacles in the unwilling to talk, caused by lack of the political trust.

### 8.6.3 Summary:

In this case, organizing activities, consultations and home visits are also important for organizing event. These informal actions emphasize the importance of face-to-face communication with villagers, direct understanding of villagers' needs and expression of feelings towards villagers. Within the personal and informal networks, local governments in rural villages care about their reputation and personal relationship with villagers. In addition, as mentioned above, when the local government conducted investigations and collected opinions, it established close working relationships with the former village committees and village stock companies, and developed relations with the villagers. In this sense, I argue that the formal “4+2 system” in the rural governance system is tending to create an “informal deliberation based deliberative system”. Within this system, the highest challenge is lack of political trust, which caused another “participation strike”: people prefer to keep “silent” and “alienation” in public affairs. The positive everyday deeds of the deliberative system can, however, rebuilt political trust between the public and authority and also enhances the participation rate.

## 8.7 Conclusion

In this Chapter, I firstly introduced the institutional changes of both N Village and the Community T. This was followed by comparisons on the understandings and experiences from the relationship between former village committees and local government in the urban governance system. The details of the comparisons were summarised as following table:

Table 8.1: comparative analysis results of two cases

	Village N	Community T
Foundations of residents' committee	Same as former urban village governance structures and cadres; only accepted non-leadership staff from local	Almost achieve as a normal urban community; the Director of residents' committee is nominated by street office; other cadres are selected from 3

	government; staffs from local government are excluded and only played limited role; the vertical steering from local government is limited	villages' committee; the vertical steering from local government is significant;
Role of collective economy	Extremely strong collective economy exists; absolute authority and leadership role in community; provide abundant welfares for villagers; the collective economy provides better public services than local government; substantial main governance body	Standard collective economy; significant role in community governance; provide considerable welfare for villages; important assistants for residents' committee and local government;
Transformation of collective economy	Transferred into shareholding company; the candidates of shareholders are selected from villagers; the institutions in company are democratically decided by villagers; 40% profits will be distributed as welfare to shareholders	Transferred into shareholding company; the candidates of shareholders are selected from villagers; the institutions in company are democratically decided by villagers; almost all of profits will be distributed;
Property management	Shareholding company take the duty of property management; take the duty of routine properties' maintenance and providing a good living or working environment for the	Shareholding company take the duty of property management; take the duty of routine properties' maintenance and providing a good living or working environment for the residents; the management fees

	residents; the management fees will be collected from all households in community; the management fee will be refund to all shareholders at the end of the year.	will be collected from all households in community. Property management services are under the supervision of community council (made by 7 senior village cadres and clan leaders)
organizations	All organizations are fund by the shareholding company as a part of welfare services; include: marriage and funeral organization, community university, primary school,	All organizations are voluntary services, include: community university, psychological counselling, legal counselling; gym; Youth UAV training
Forms of deliberations	Formal 4+2 system to discuss economic issues and other important issues; informal deliberations to solve small conflict between neighborhoods; led by community (former village) cadres	3 villages shareholding company can trigger 4+2 to discuss economic issues and other important issues; residents committee and community council can trigger public deliberation to solve big issues like offensives; the small-scale conflict can be solved by volunteering counselling and village cadres
Villagers perceive themselves as:	Members of N village first, then, shareholders of village shareholding company, finally, urban citizens, nothing related to the street offices and community	Urban citizens first, do not care about the membership identity neither former village nor new community



Villagers perceive residents committee as	For the residents' committee leadership, they treat them as same as in village committee; for the staffs from street office, they treat them as useless outsiders.	Leadership from urban government, has considerable authority and credits,
Villagers perceive village collective economy as	Absolute authority and leadership, reps of their interests,	Authority in their mind, trustable leadership

In the first case discussed, that of the professional property management company, I showed how the traditional deliberative governance culture of the village can, in fact, play a role in problem solving. Through the lens of this case, we can observe that the unstable alliance between district government and the regenerated community authority is due to a gap in lifestyle and political culture between villagers and urban citizens. The story of the “civilizing offensive” reflected how community governance combined urban services and rural deliberations. Compared with the urban government officials, the former village cadres not only have more credibility, but also have more local knowledge. In addition, the discussion of the transformation of “4+2 system” shows the “helplessness” and “powerlessness” of the indigenous villagers as well as the “distance and gaps” in government-citizen relationships.

I have shown, as the continuities from the urban village governance system reveal, both former village cadres and village shareholding companies play important roles in the new regenerated village communities' governance. In some cases, these continuities were stronger than others. This is because the village collective economy is strong enough to support and backup the socio-economic well-being of the urbanized villagers; as well as the backbone for the former village cadre to self-governance in the new community. However, in both cases, the result shows that the urban village regeneration risks uncoupling collective land ownership from community self-government. The first reason is because, after the land expropriation, the community's affairs no longer affect an individuals' property rights. This directly reduces the necessity for villagers to participate.

The second reason is that some political institutions (like the 4+2 system) did not work very well in community self-government, because of lack of efficiency. It is difficult to motivate working-age adults to participate in public affairs. Significantly, the reasons for this are rooted in political trust. Because of their previous relevant experiences in land expropriation, some of villagers believe that the local authority may not be communicable and the deliberation organized by the residents' committee and local government is exclusive and unequal. To solve the issues above, the informal deliberation provide an alternative for the residents' committee to rebuild the communication platform between the local authority and the public.

## Chapter Nine: Conclusion

### 9.1 Introduction

This study adopted a systematic framework to investigate the deliberation processes involved in Chinese urban village regeneration and the governance of regenerated communities, as well as the integration of villagers into the urban fabric. This research was carried out in response to a political movement by China's central government - 'New-type Urbanization Plan 2014-2020'. The aim of this research is to explore the role and outcomes of democratic deliberation as a political instrument for local administrations in the urban village regeneration process. This research leads to the following research questions:

1. On what grounds do local governments adopt democratic deliberation in the urban village regeneration practice?
2. How does the process of democratic deliberation proceed in the process of urban village regeneration?
  - What role does the village administration play in the regeneration process?
  - How does democratic deliberation play a role in the redeveloped urban village community?
3. How does the village deliberative system fit into urban community governance?
4. What is the place of deliberation in the larger governance configuration around urban village regeneration?
5. Is authentic deliberation going on in authoritarian China?
  - Do the interactions between stakeholders have the general characteristics of democratic deliberation?
  - To what extent is this a form of authoritarian deliberation, or deliberation according to Chinese history and culture?

The empirical chapters (Chapters 6, 7, 8) have explored and investigated how democratic deliberation played a role as a political instrument used by local administrations during the urban village regeneration process. Following the empirical discussions, this chapter will draw an overall conclusion about this research and reflect the wider implications of the findings. This chapter will begin with the summaries of the empirical findings (Questions 1, 2, and 3) and go on to discuss the wider implications of these findings as

they might apply to deliberations in authoritarian settings (Questions 4 and 5). Finally, this thesis will end with the reflections on its significances, limitations and the scope for further research.

## **9.2 Empirical Findings**

### **Question 1: On what grounds do local governments adopt democratic deliberation in the urban village regeneration practice?**

The discussions around this question were based on the social and economic complexities of the urban village regeneration itself; and the complexity of the Chinese political-administrative system.

The “urban village” is one of the side effects of the last four decades of China’s doubled-digit economic growth, unprecedented urban expansion and social change (Liu *et al.*, 2009; Lin and Ho, 2005; Ho 2003). The urban village is a common form of informal settlement consisting of communities which, although geographically part of a city, have administratively and in terms of property rights retained their original village structure (See Chapter 2). Functionally, the urban village is also a repository of affordable accommodation for the rural migrants who cannot access social housing due the *hukou* restriction (Niu and Wagenaar, 2018). Urban villages are regarded in both Chinese and the international academic discourse as slum-like areas with high crime rates, high population density and poor-quality housing (Zhang *et al.*, 2003; Liu *et al.*, 2010).

For various reasons, Chinese local governments have embarked on a programme of urban village regeneration since the early 2000s. One of the most important reasons is that urban villages often have high potential land values because they almost always occupy geographically attractive sites within the city (Hao *et al.*, 2011). Initially, most of these initiatives were heavy-handed demolition-redevelopment projects which not only offered local government desirable revenue by selling the land to the developers, but also provided a modern urban physical image. The rationale behind this policy programme is the Chinese Central Government’s strategy aimed to attract foreign and domestic investment by encouraging competition between cities in the early 1990s. Initially, the two major policy instruments in this strategy of internal competition were the revised Planning Act and the so-called Tax-Sharing system. The 1990 Planning Act strengthened

the role of the city in 'development control'. The tax-sharing system was introduced in 1994 and aimed at encouraging local government to focus on economic development. It was a significant incentive to transform Chinese urban governance from socialism towards entrepreneurialism (Wu, 2003). In this arrangement, central government only took part of the revenues generated by local government and left the remainder as a financial resource to enable local government to seek further development. The arrangement led local officials to seek a high GDP growth rate. In addition, the revenues from local economic development were also needed to pay for public services and the welfare system. In practice, the tax-sharing revenue arrangement proved to be a strong incentive for local governments to maximize revenues from land release, including land auctions and land transformation fees. When the land-value is not high enough (in the urban fringe) the government released such land for very low prices to stimulate industrial development. This process accelerated after China formally joined the WTO in 2001, and increasingly opened up. Foreign capital was from then on allowed to directly invest in real estate, the land market and other industries outside the 'special economic zones'. The result was a significant acceleration of land acquisition by local authorities and consequent urban expansion.

Urban village regeneration was, thus, a strategy to acquire valuable urban land for purposes of local economic development, a process that was made easier by the negative reputation of urban villages. As said above, initially, this process took the form of "demolition and development" (Zhang, 2005). Within the targeted area, all buildings and infrastructure were completely demolished, after which the area was redeveloped following the new planning proposal. The redevelopment usually consisted of a mix of high-quality commercial housing, shopping malls, offices and industrial site development. However, although demolition development resulted in urban modernization and economic development, it became increasingly controversial as it led to many undesirable side effects, such as large-scale displacement of residents, housing bubbles and a growing sense of injustice among residents. One of the drivers of these negative unanticipated consequences is the complex process of property acquisition (land, houses and infrastructure) that precedes the regeneration.

In pursuing long-term economic growth and social development while avoiding the problems with the demolition and development approach, the Party changed course and announced a national-level policy – “New-type Urbanization Plan 2014-2020” in 2014. According to Taylor (2015), the plan’s primary objective of urban village regeneration can be summarized as follows:

- Unblock the internal dual-track system of the city, in terms of social form, property ownership and citizenship, such as redeveloping the slum-like areas into modern residential communities; the integration of ownership of rural collective-owned land (urban villages) into the state-owned land; and the transfer of the rural/urban based *hukou* system into a unified household registration based on residential address.
- Promote the new-type urbanisation strategy to facilitate the integration of 100 million migrant workers into the city (2015:108).

This new policy stimulated the urban village regeneration programme throughout China. However, the existing regeneration programmes had proved that urban village regeneration is controversial. To understand the problems that emerged in the regeneration process, two further aspects of the wider environment are important. First, village residents, who are organized in the village collective, own the land in the urban village. The municipality needs to find ways to acquire the land at the lowest possible price, thereby pitting the interests of the city against those of the village collective. Second, in all cities, urban village regeneration was organized as a PPI arrangement with private developers doing most of the development work in exchange for a share of the profits. This arrangement is complicated by the asymmetrical power relations between villagers on the one hand and the local and district authorities and property developers on the other.

To obtain the necessary property rights in the areas occupied by urban villages, local governments followed one of two strategies. The first is market-based. This was the earliest approach, and was mostly prevalent in East-Coast Cities where the need to redevelop urban village sites was initially felt most acutely. After government endorsement, the private sector was allowed to directly negotiate with the village residents and establish land and property values according to market rates. Private developers also had a certain autonomy to amend the compensation for each individual as they felt necessary. As village residents were free to negotiate with developers, they

adopted petitioning as a strategy to argue for higher compensation packages. To compensate for the loss of rental income from their, largely illegal, additions, villagers were offered compensation in the form of newly-built apartments in the reallocation community. Usually, each household was compensated by at least two to three apartments, but, to diffuse the petitions and protests, government and developers increased the compensation ratio, in effect rewarding continued resistance. In some cases, native villagers were able to obtain numerous apartments this way. This, in turn, resulted in overbuilding and the emergence of local housing bubbles.

This arrangement was supported by the expectation that the superior location of the villages and the high potential market value of the developed property would generate considerable profits (Chung, 2009; Lin and De Meulder, 2012; Hin and Xin, 2011). However, while these financial projections were largely met in the large East-Coast cities, the profits were much lower in smaller central cities such as Happy City, our case study. For this reason developers and construction consortia began to shy away from taking full responsibility for the regeneration process. Instead, the state stepped in and local government, such as in Happy City, took charge of the process of land acquisition, demolition and reallocation, with the aim of limiting the negative consequences of land-centred urbanization whilst pursuing financially sustainable urban development. However, the negative side effects of the market-driven strategy had become an obstacle in the implementation of the government-led strategy. The villagers' negotiating skills has raised their expectation of compensation to levels far beyond the government's capacity. To make the strategy financially viable and to create optimal space for revenue-generating and job-creating commercial developments, the government more or less shut down the possibility for village residents to negotiate the size of the compensation package. Compensation for native villagers took the form of the allocation of apartments in government-constructed, high-density, high-rise developments (Lu *et al.*, 2015).

To cope with the financial and legitimacy challenges of urban village regeneration and address the internal dual-track system of the city, within which there are urban villages and urban neighbourhoods, state-ownership and rural collective ownership, and (*hukou*) urban citizens and (non-*hukou*) rural migrants, the Party stipulated deliberation with village residents as a central instrument in the implementation of the New Type

Urbanization Policy. In general, this new policy places more emphasis on the involvement of village residents in the regeneration process. In the implementation of this new policy, the role of rural village regimes became increasingly important. It is here that deliberation plays a role in the process of urban village redevelopment. Based on the practices of democratic deliberation at local level, the Chinese central government explicitly endorses the importance and validity of employing democratic deliberation in the community governance system. The overt goal is to promote a harmonious, stable, and 'controllable' society by building up harmonious, stable, and 'controllable' communities.

In theoretical terms, deliberation over urban village regeneration is embedded in a governance system that consists of different and disparate elements, such as authoritarian rule, command-and-control regulation, corporate project management, public-private arrangements, traditional village deliberation, popular protest, rumors, subterfuge and 'playing the system'. The diversity and complexity of this system imposes severe limits on the effectiveness of 'vertical steering'. Deliberation partly originates in, and expresses, genuinely felt Confucian traditions of wise rule and serving the people, but is partly co-opted in an instrumental way to increase the efficiency of this fragmented governance process, to massage away resistance among citizens and to legitimize the crack-down on the last 'holdouts' against development. Thus, deliberation in an authoritarian setting represents a complex amalgam of motives, traditions, laws and regulations, political actors and institutions, administrative techniques, corporate assessments, and pushback from ordinary citizens. Deliberation in the authoritarian setting of China is related to, and dependent on, other ways of decision-making. It is one element in a large number of techniques of preference-formation, decision-making and policy implementation. This raises the question whether this type of deliberation can be considered deliberation at all, or if this is a case of concept stretching (Steiner, 2008; Bächtiger *et al.*, 2010). We will argue that authoritarian deliberation in the context of urban village regeneration can be considered as an example of Type two deliberation, albeit in a constrained form, described as involving "more flexible forms of discourse, more emphasis on outcomes *versus* process, and more attention to overcoming 'real world' constraints on realizing normative ideals", such as rational consensus and sincerity (Bächtiger *et al.*, 2010: 33). In this, it does not differ in principle from the



deliberative systems of the liberal democracies of the West. In each case deliberation fulfills epistemic, ethical and democratic functions within the larger system of governance (Mansbridge *et al.*, 2012: 11). In what ways, under what conditions and how well it fulfills these functions must be the subject of empirical inquiry. How well deliberation fulfills its systematic functions in the context of authoritarian rule in China is the subject of this thesis.

**Question: 2: How does the process of democratic deliberation proceed in the process of urban village regeneration?**

- **What role does the village administration play in the regeneration process?**
- **How does democratic deliberation play a role in the redeveloped urban village community?**

The systematic approach of deliberative democracy provides a framework to examine its characteristics and evaluate the quality of these deliberations. It helps the researchers to understand the designs, developments and the implementations of the deliberations and deliberative institutions in China, despite contextual differences (Tang and Dryzek, 2014; Tang, 2015). Therefore, it is important to investigate the larger political system around the urban village regeneration from the very beginning. To attract foreign and domestic investment, China's central government has, since the end of the 1970s, prioritised large infrastructure projects. During these years of economic transformation, large engineering projects or fixed-asset investment projects have mushroomed throughout the country. To create favourable conditions for such projects and to gain a competitive advantage over other cities, project management became the instrument of choice for local governments.

Project management emerged from a generally shared, entrepreneurial image of governance. In governance-by-project, management requires that large tasks are broken down into smaller operating procedures which are allocated to different people (or small groups). These persons or groups will have some autonomy to accomplish their task, but they are also held responsible for it. This devolved operating structure is accompanied by a regime of intense monitoring. Project management also introduces efficiency as a dominant value into the practice and discourse of governance. In interviews with

government officials, planners and village leaders within the urban village regeneration program, efficiency was the first priority. All actors aspired to complete the process as fast as they could, preferably before the deadline. Terms such as 'time', 'speed' and 'efficiency' frequently appeared in interviews, government documents and officials' speeches.

It is in the working relationships between these parties (the District Government, the Command Centre and, as we will see, the Village Committee) that the ambivalences of the intricately and densely scaled Chinese government system - and the processes of deliberation that are inscribed in, and shaped by, its rules, procedures and operating routines - come to the fore (Bächtiger *et al.*, 2010: 48). First, in principle, the relationship between the members of the command centre and district government is cooperative rather than subordinate. Although the district government can in principle overrule the command centre, the broad composition of the latter is meant to bestow legitimacy on the actions of the government and to demand that conflicts between them are resolved by the force of optimal information and the better argument. Yet, as we will see, the district government imposed a performance and monitoring regime upon the command centre. Second, because of its central, and ambiguous, role in the regeneration process and the deliberation, negotiation and bargaining with other parties with which it engages, we need to give special attention to the position of the village committee. According to China's constitution, the villages and village committees are self-governing organizations. They are not the subordinate branches of any level of government. The village leadership (both the head of the village committee and the secretary of the village Party branch) is democratically elected by the villagers instead of being directly nominated by the upper level of government. Although the township level of the Party branch must authorize the secretary of the village Party branch, this authorization is in practice symbolic rather than a top-down nomination. On the other hand, to ensure the leadership of the Party, the hierarchically higher township Party branch retains the power of dismissing the secretary of the village Party branch on grounds of Party discipline. However, the, hierarchically lower, villagers also have the power of dismissing both the secretary of the village Party branch and the director of the village committee through voting in the Village Congress. Under this institutional arrangement, the village committee cannot favour one group over another; instead, it occupies an uneasy position between the

interests of government and villagers. Therefore, the role of the village committee is inherently ambiguous: it represents government to implement policies into the village, and it represents the villagers to protect and argue for their interests. In the larger governance configuration, the village committee is expected to act as the mediator between government and villagers for the purpose of promoting efficiency.

Task targets and monitoring are additional policy instruments in the regeneration process. For example, to guarantee that targets were met, the leadership of the Sunny District imposed a strict instruction and inspection upon the command centre. At this crucial juncture, the project-based command-and-control regime meets traditional village deliberation. Since 2009, the CCP has encouraged the village committees and village Party branches to adhere to the regulated rural deliberations, which is known as the '4+2' decision making system: a system with four stages of deliberation and two stages of public announcement (*si yi liang gongkai*). This institutional arrangement successfully separates the 'right of proposing' and 'right of decision making'. It is carefully calibrated to balance rational communication through Type one deliberation between villagers and village authorities and Party influence through the position of the village Party branch in the process.

This research identifies the existence of two parallel governance systems operating in an uneasy and unstable alliance with each other. On the one hand, we see the project-based command-and-control system, that is directly tied into the authoritarian rule of the CCP, and that extends downwards into lower levels of government. On the other hand, we see the traditional deliberative governance culture of the village that is in fact endorsed by the CCP.

### **Question 3: How does the village deliberative system fit into urban community governance?**

This research identified the "not rural but not urban" governance system of regenerated village communities in urban areas. These newly built regenerated village communities have reallocated the indigenous villagers from former urban villages. Physically, these communities have been developed as normal urban communities, however, politically, considerable continuities exist between regenerated village communities and former

urban villages. Chapter 8 introduces how the village governance system has been integrated into the urban administration system and how these continuities exist in the new governance system in regenerated village communities. Based on these observations, this research found that deliberation could contribute to an elegant political process as well as a deliberative and equal outcome. More importantly, the rural deliberation and the deliberative system facilitates the social integration of the villagers. Furthermore, through the lens of two cases, this research explains how the rural government structure could be integrated in community governance, how the collective economies were invited by street office into the area of the community services for their shareholders, and how local government cultivate the self-governance organization at grassroots level.

In China, villages and urban residents' communities are 'self-governing' organization. Legally, they should conduct management decision-making, democratic elections, and supervision. However, as stated in Chapters 3 and 8, the dual-track of land ownership differentiates the economic capacity and functions of urban residents' committees and village committees. To overcome these differentiations and peacefully transfer the village into the urban community, the local government directly nominates the members and leaders of the new residents' committee in in our two case: Village N and Community T. Through a comparison of the experiences and understandings from the relationship between former village committees and local government in both Village N and the Community T, this research reconstructs two typical forms of institutional changes in the urban governance system. The details of the comparisons are summarised in the table 8.1 (see chapter 8)

As the continuities from the urban village governance system reveal, both former village cadres and village shareholding companies play important roles in the new regenerated village communities' governance. This research uses the concept of "not rural but not urban" to describe the governance system in the regenerated urban village. Through the lens of the introduction of a professional property management company in the regenerated urban village community, I showed how the traditional deliberative governance culture of the village can, in fact, play a role in urban problem solving. The unstable alliance between the district government and the regenerated community

authority is due to differences in lifestyle and political culture between villagers and urban citizens. The story of the “civilizing offensive” reflected how community governance combined urban services and rural deliberations. Compared with the urban government officials, the former village cadres not only have more credibility, but also have more local knowledge. In addition, the discussion of the transformation of the “4+2 system” shows the “helplessness” and “powerlessness” of the indigenous villagers as well as the “distance and gaps” in government-citizen relationships. In some cases, these continuities were stronger than others. This is because the village collective economy is strong enough to support and backup the socio-economic well-being of the urbanized villagers; as well as providing the backbone for the self-governance of the former village cadre in the new community.

However, in both cases, the result shows that the urban village regeneration risks uncoupling collective land ownership from community self-government. The first reason is because, after the land expropriation, the community’s affairs no longer affect an individual’s property rights. This directly reduces the necessity for villagers to participate. The second reason is that some political institutions (like the 4+2 system) did not work very well in community self-government, because they were inefficient. It is difficult to motivate working-age adults who make long working hours and often negotiate long commutes to participate in public affairs. In addition political trust plays a role. Because of their previous relevant experiences in land expropriation, some of villagers believe that the local authority may not be communicative and the deliberation organized by the residents’ committee and local government is seen as exclusive and unequal. To solve the above issues, the informal deliberation provides an alternative for the residents’ committee to rebuild the communication platform between the local authority and the public.

### **9.3 Wider Implementation:**

#### **Question 4: What is the place of deliberation in the larger governance configuration around urban village regeneration?**

This thesis reviews the role and function of deliberation in urban (re)development project, and finds out that deliberation in development is deserve more focuses beyond the simply “participatory project”. I will argue that deliberation could have the

transformative effects on following aspects of developments. 1: Building a deliberative system is a potentially valuable way of addressing inequality. How does deliberative democracy differ from and complement electoral democracy (Heller and Rao, 2018)? How does deliberation work in various contexts related to development? What is the role of the communicative process in decision-making and development (*ibid.* Odugbemi and Jacobsom, 2008)? Urban development projects, such as urban village regeneration, always have the potential to create a complex social and political context for implementation. The first role of deliberation is to bring people together to reach a consensus to work on the complexities and challenges in the development programme. Second, it might contribute to building a deliberative system, which is a different approach to both designing and researching the policies and policy-making process. Third it can have a transformative effect on many other aspects of development extending beyond the development project itself, such as social, institutional and participatory capacity-building.

As we can observe in these two cases, both public discussions in Village N and village deliberations in Village T were intended to be a generally deliberative system with a certain deliberative quality. The topics of the deliberations started from a single-issue orientation (conflict solving) and progressed to a series of comprehensive discussions and reflections covering the topics, issues and policies of urban village regeneration, such as shared living conditions, the arrangement of welfare and collective properties, and the prospects for improvements. From the epistemological perspective, these meetings are instructive, as they not only work at consensus building, but help the public to learn the policy-making process through engaging in discussions, criticisms and even petitions. Therefore, first of all, it will be argued that deliberation in urban village regeneration is oriented towards “problem solving”, which is instrumentally used by the local authorities due to its political function. Meanwhile, the ethical function helped the participants (governments, village authorities, developers and villagers) to build up trusted relationships beyond the conflicts thereby creating communicable platforms or arenas for participants to present their concerns. The relationships also helped participants to build mutual respect between the conflicting parties. Moreover, the political and ethical functions of “problem solving” contribute to the series of deliberations around one policy programme to formulate a tiered decision-making system (see 4+2 system). Within these

tiered or even institutionalized deliberations, the “epistemological function” is significant. This function not only played a significant role in terms of problem formulations, which helped the participants to identify the “problems” and “matters” from the conflicts, but it also played a significant role in generating preferences and opinions leading to potential problem solutions. Thus, the decisions made by deliberation are appropriate because they are informed by the substantive discussions and deliberative consideration of the facts, logic and emotions. Therefore, the scalar political and administrative system around urban village regeneration could be regarded as a deliberative system with a fair standard, which can deliver a relatively deliberative outcome in terms of development promotion.

However, the meanings of the development have broadened from the “economic and physical development” to take a more complex and comprehensive view which includes social development, environmental sustainability, social justice and democratization (Sen, 2000; Heller and Rao, 2018). First of all, in the (micro-) urban planning contexts, “How to involve appropriate expertise; how to represent values, interests, or concerns that matter, and not least of all, how to shape commitments to action” (Forester, 2018: 595) require consideration. The deliberative results might be risky and stupid if the deliberations fail in incorporating diverse expertise (*ibid.*); meanwhile, the deliberation should be responsive to what matters, otherwise it cannot generate relevant results to the right problems. Finally, and most important, the deliberative results should commit to actions, rather than just talk. In the cases of regeneration of urban villages, the deliberations successfully involved the village cadres and village authorities as the sources of expertise and local knowledge. They successfully translated the villagers’ concerns, worries and dissatisfactions to the government thereby securing their inclusion within the formulated problems and matters. Then, during the negotiation with the government or the developer, they not only represented the villagers’ interests and successfully shaped the final decision to a certain extent, but also represented a route through which local government could communicate with villagers. Therefore, it is argued that the village authorities and the village deliberative institutions are the basis of the deliberative system around urban village regeneration where they not only act as the expertise to translate the local knowledge, but also act as the representative for both villagers and governments. These active roles of village authorities and deliberative

institutions not only promoted the regeneration programme as a whole, but also contributed to formulating trusted internal relationships between each part of the deliberative system including single actors and interest groups. This system successfully avoided the risks of deliberations in planning practices and urban development projects, such as “stupid results”, “irrelevant results or solutions to the wrong problems” and being stigmatised as “just talk” (Forester, 2018: 595).

**Question 5: Is authentic deliberation going on in authoritarian China?**

- **Do the interactions between stakeholders have the general characteristics of democratic deliberation?**
- **To what extent is this a form of authoritarian deliberation, or deliberation according to Chinese history and culture?**

*Do the interactions between stakeholders have the general characteristics of democratic deliberation?*

This study presents two cases of urban village regeneration in Sunny District. Through these empirical cases, we can observe the interactions between stakeholders within the urban village regeneration process. Admittedly, deliberations, deliberative cultures and institutions within China are different from those in liberal democratic contexts. However, this research argues that following the examination through the criteria of “authenticity, inclusive and consequential” in Type two deliberation theory (Dryzek, 2009), interactions between stakeholders have the general characteristics of democratic deliberation. Meanwhile, this research also argues that both formal and informal deliberation practices are deliberative actions and play considerable roles from decision-making to implementation.

First of all, in terms of “authenticity”, the deliberative practices are “non-coercively” talk-based politics that rely on persuasion to influence events. These “interactions” exhibit “reciprocity”, not only because they enhance social stability and generate legitimacy for the CCP’s governance, but because they also allow the public to communicate with government. Through the communication with the government, the public can deliver their concerns and demands to the local government. Their concerns and demands are crucial for local government to make and to implement a policy or decision.



Second, in terms of “inclusiveness”, in urban village regeneration, stakeholders includes villagers, local governments, village collective economy, and other relative parties are included in the deliberation through a range of forms of deliberations (mainly, Type Two deliberation) were implemented in various political settings. These allow the different stakeholders to present their interests and discourses. This research finds that the district government, street office and grassroots level regimes implemented various forms of deliberation practice (formal deliberative meetings and informal communications, see Chapters 4 and 6). As explained in these chapters, the Chinese deliberation tradition and the autonomy of local governance contribute to this political innovation.

Third, in terms of “consequential”, many examples of deliberations are presented in the empirical chapters (Chapters 6, 7 and 8). These interactions have an impact on both collective decisions and physical and social outcomes. This includes both direct and indirect impacts – that is, deliberations not only involve the actual making of policy decisions, but also have impacts on decision makers who are not direct participants in the forums or communication. For example, one of the direct impacts is that these deliberations have shown the epistemic function of consensus building. In the case of Public Discussion (see Chapter 7), through the long-term deliberation, the district government realized that the villagers’ attitudes and emotions created instances of considerable resistance. The deliberation helped both district government and village committee to realize that the regeneration of Village N could not be undertaken in the short time that was allotted for it. Another example of indirect impact is that deliberations also have ethical functions. The deliberations successfully promote mutual respect between the district government, village authorities and villagers. Through the public discussion, the villagers learned the policies involved in urban village regeneration; their feedback also contributed to decisions made by the village authorities and local government. This impact could be identified in many informal deliberative forums, although these forums did not make subsequent recommendations that could be directly considered by policy makers. However, they are products of a mechanism or a platform that allows stakeholders to communicate with each other, thus facilitating “governance without government”.

Therefore, based on these findings, it is argued that, most of these forms of communication seem informal and based on everyday conversations, however, according to Dryzek's scheme of "authenticity, inclusiveness and [being] consequential", these communications not only have general characteristics, but also have a strong deliberative nature. They are open for the public to participate; the participants were treated neutrally and their opinions were respected. In addition, the participants provided their demands, concerns and reasons and, as will be discussed later, these opinions impacted decision-making. The discussion above does not mean that deliberation in China's urban village regeneration is good enough in terms of deliberative qualities and standards or that urban village regeneration involves a high-quality deliberative system. The next section will discuss how deliberations were instrumentally used according to their political functions.

*To what extent is this a form of authoritarian deliberation, or deliberation according to Chinese history and culture?*

Deliberative culture is deeply rooted in Chinese tradition, with deliberation having political functions since ancient times. This research argues that the current practices of institutionalized deliberation are based on Chinese traditional culture and history; they have, however, become more inclusive and accessible for ordinary people than was the case in ancient China. The empirical cases show that, "*shuoli*" (to make an argument) is the most important target in rural deliberation.

First of all, deliberative culture in China is rooted in the Confucian moral code. Under its guidance, deliberation became increasingly significant as a check against the abuse of power and for the avoidance of malpractices by the authorities. Originally, the key moral codes in Confucianism are *ren* (benevolence, or humaneness), *li* (ritual) and *junzi* (gentleman). The value of *ren* refers to the political value of "justice" in terms of humaneness. In ancient China this required the ruler to be inclusive. The "*li*" defines the concern for harmony and the priority of the correct procedures in deliberation and the political bargaining process. The gentleman here refers to the well-educated people with considerable reputation. According to these values, the political function of deliberation is considered as a check against the tyrant, aimed at avoiding the mistaken political decisions and developing the policies that favoured the individual's interests. In ancient

China, with regard to all of the individuals, including the emperors, this constituted quite a serious matter, usually determining the order of the state. Furthermore, the conceptual space for “*jian*” (admonishing) accordingly opened up to correct the path (*dao*) (Legge, 2010). Therefore, the primary functions of the deliberative institutions in ancient China not only acted as a consultant and advisor for the emperor, but also acted as a supervisory institution that attempted to hold the emperor’s power to account.

These deliberative moral values are also significant in contemporary China. The deliberative culture within contemporary local governance practice follows the Confucian normative ranking (see Chapter 4). In urban village regeneration, the deliberative institutions and systems have played three roles: the decision-making role, the supervisory role and the advisory role. For example, in the decision-making process, the Chinese people believe that “truth becomes clearer through debate and deliberation (*li yue bian yue ming*)”. Chapter 7 introduces that when dealing with uncertainties and conflicts at the very beginning of the urban village regeneration, the Village N committee organized a three-year-long public discussion to present the facts and reason things out. Meanwhile, the “4+2 decision-making system” in Community T also shows that a systematic deliberative institution also has a supervisory role, which not only enhances the transparency of the decision-making process, but also allows the stakeholders to challenge the decisions. In a case where one party has a feeling of unfairness or injustice from the other party, one usually appeals to “*shuo li*”, which is “making an argument”. Usually, two conflicting parties seek out a senior/authority figure and ask them for “*pingli*”, which indicates that both of them are presenting their arguments and opinions, and the senior/authority figure will make an arbitration according to “*li* (理)” (principle). The most significant point here is the term “*li* (理)” (principle), which refers to the normative ranking.

## **9.4 Discussions on Theoretical Generalization**

### **How deliberative are the deliberations and the deliberative system in urban village regeneration programmes?**

Both in China and the West, democratic deliberation has become one of the elements of a wider system of governance and public administration. In both cases we observe how a range of actors, first of all national and local administrations, but also corporations, NGOs,

third sector organizations and citizen groups, employ deliberative arrangements - perhaps it is more accurate to speak of arrangements with deliberative elements - to address problems of social, political and technical complexity. In many of these arrangements, such as interactive government, co-production, citizen panels in the context of New Public Management, or more elitist forms of deliberation in independent regulatory agencies and transnational governance, democratic quality seems a secondary thought (Papadopoulos, 2012). Most of them create their own problems with regard to participation, inclusion, representation and accountability. Deliberation has become an instrument in an increasingly varied repertoire of governance instruments.

China is no exception to this trend. Although the Party extends its grip deep into lower levels of government, interdependencies and information asymmetries among government agencies limit the effectiveness of vertical steering. In fact, urban village regeneration as a complex policy challenge reveals the limits of authoritarian rule in a modern national and international context. On the one hand, the Party encounters the same problems of technical, social and institutional complexity (Dryzek, 1990: 57-76; Wagenaar, 2007), with the ensuing limits on vertical steering, as administrations in democratic countries. On the other hand, the state runs into the moral limits of authoritarian rule. To safeguard internal coherence at acceptable political costs, it needs to maintain a sufficient level of acceptance and compliance among the population. Moreover, even a country steeped in Realpolitik, such as China, is too much integrated in the international social and political system to transgress the boundaries of acceptable suppression of its own population too blatantly. Thus, the Central Party Committee relies on the agency of regional and local governments, as well as corporate actors, to realize its ambitious economic development goals. However, no amount of goal setting, monitoring and (threats of) punishment are enough to overcome problems of discretion, disobedience, resistance and gaming the system. In addition, citizens, although aware of their exposed social and political position, do not hesitate to express their opinion about decisions that affect their livelihood, health, ethnic identity, or their children's opportunities. Among ordinary people, authorities often carry a suspicion of being prone to corruption, stonewalling and the covering-up of policy failure. Social media, although censored and restricted, are nevertheless powerful tools in disseminating information and rumours. As a result, many citizens hold a cautious, skeptical view of the authorities.

Emulating corrupt officials, some citizens try to play the system to their own financial advantage. Others, as the past two decades have shown, are willing to risk arrest, detention or worse in resisting what they perceive to be unfair and unjust treatment at the hands of officials.

Ironically, the absence of an independent judiciary and the weak rule of law act against the Party's interests in this situation. Where the possibility of independent arbitration allows for the resolution of conflicts with the state and curtails arbitrary behaviour, the Party has to find other ways to defuse social conflict and gain legitimacy. It is there that deliberation plays an important role. As these two cases show, the negotiations and decision-making surrounding urban village regeneration can be construed as an example of Type II deliberation (see Chapter 4). In the real-world environment of the Chinese hierarchical, scalar, governance system, a number of actors, operating under the constraints of a variety of laws, planning deadlines, injunctions from higher levels of government, conflicting interests, the threat of losing a lucrative business opportunity to a competing city and powerful cultural norms, have to find ways to arrive at a successful outcome. Success, in this situation, is often akin to squaring the circle; the investment must be secured within the self-imposed tight timeframe while the residents of the village have to agree to their own displacement. Traditional village deliberation plays a central role in this complex governance field. Within this deliberative system, communication is a curious amalgam of genuine deliberation, bone-hard negotiations, entreaties and appeals to the collective interest. The deliberative process is safeguarded by a legally prescribed elaborate procedure. Only when two-thirds of the villagers approve of the compensation proposal, is the District Government allowed to go ahead with the demolition of the village. Several procedural rules (such as obtaining the initial approval of the village Party branch or the power of appeal in the announcement stage) inject a measure of communicative rationality into the 4+2 village deliberation. Nevertheless, a formal procedure is as good as the ethos with which it is enacted, and in this case, the authorities, straining under a tight deadline, approached the village deliberations with a strategic mind-set. Their purpose was to quickly obtain the two-thirds majority and not bother too much about the dissidents. For this purpose they managed to persuade the village authorities to curtail the 4+2 procedure and portray the dissenters as self-interested schemers. Although a comfortable majority was easily obtained, the tactic

nevertheless backfired. The dissenters protested and withdrew their participation in the procedure altogether, forcing the authorities to step in and engage in genuine deliberation.

These two cases demonstrate a number of things. They show the considerable capacity for authoritarian behaviour of the higher authorities in China's complex, multi-scalar governance system. The cases show that deliberation in the real world is at all times vulnerable to being usurped by strategic considerations. However, the cases also show that deliberation is more than just the enactment of (legally mandated) procedures and that it resonates with widespread cultural understandings of how officials ought to relate to citizens (He, 2014). Finally, the examples show that by relying on informal deliberation, officials could fall back on traditional relations within villages. Both cases demonstrate that the deliberations were effective in terms of collecting opinions and conflict resolution and played a significant role in each stage of the urban village regeneration. These deliberations in urban village regeneration built upon the former village cadres and their credibility and authority within their rural village network. The village committee always plays a leading role in organizing the deliberations. As the organizer and mediator, their credibility and authority were attached to personal status instead of formal authority.

However, the deliberations in urban village regeneration also show their authoritarian character. This was a severely curtailed form of deliberation in which the authorities held lots of advantages. Asymmetries in power, information, reputation, education level and communication skill significantly impacted, and at times dominated, the deliberation process. For strategic reasons the district government and village committee focused their attention on those participants who showed a willingness to compromise, excluding the opponents. This generated a new 'injustice', because the disadvantaged groups faced considerable obstacles in order to fight for their rights. In addition, although informal actions brought about the sought-after efficiency within the governance process, this arrangement brings controversy and risks. It is because these communications always take place in an informal setting, like the street or the home. Lack of supervision might invite back room deals or corruption, and the deliberation process tends to become overshadowed by personal relations threatening the very publicness and appeal to a common cause that is a key characteristic of deliberation (He, 2014: 64).

## 9.5 Significance

This study provides a new perspective on China's urban village regeneration by analysing it as a deliberative system thereby providing a new understanding of the deliberations occurring in China's urban and rural governance. Deliberation in China acts as one element in a large number of techniques of preference formation, decision-making and policy implementation. In this it does not differ in principle from the deliberative systems of the liberal democracies of the West. In each case, deliberation fulfils epistemic, ethical and democratic functions within the larger system of governance (Mansbridge et al., 2012: 11). In what ways, under what conditions and how well it fulfils these functions must be the subject of empirical inquiry. How well deliberation fulfils its systematic functions in the context of authoritarian rule in China is the subject of this research. This study not only contributes to exploring the deliberation theories beyond the liberal democratic settings, but will also contribute to our understanding of the role of deliberation in the policy making and implementation process.

This thesis contributes to the Chinese academic discussion on urban China from a governance perspective. Following China's large-scale urbanization in the last 4 decades, more than 230 million rural migrants have moved to cities. This has generated considerable challenges for governments at different scalar levels, in particular local governments, to help them integrate into urban society. To cope with these challenges, governments in China have not only issued numerous national policies/programmes such as urban village regeneration, providing access to public schools for migrant children and household registration reform; but also implemented political instruments at the micro-level such as public deliberation and consultations, community-level self-governance and authoritarian discretion during implementation of these projects/policies. These political practices have stimulated abundant discussions about China's complex urban political-administrative system in terms of policy-making, policy implementation and policy regimes and what they mean for the (un-)democratic nature of Chinese governance. It is paramount to reflect upon the grounded experiences around policy-making, policy implementation and other everyday practices adopted by different entities if we want to grasp the trajectory of urbanisation and the integration process of migrant groups in urban China. Thus, this research not only attempts to develop and

further the existing research in this field, but also contributes to provide a clear image of China's local governance and its urban-rural society.

This thesis also contributes to the discussion on policy-making and the political-administrative system in Chinese academic circles. Current research has provided some angles to review these political practices, for example, He and Warren (2011) proposed the concept of "authoritarian deliberation" to understand the Chinese democratic process and government strategies. Similarly, democratic theorist John Keane's concept of "phantom democracy" (2017), an authoritarian "post-democratic" system that allows extensive local democratic practices, must be seen as an attempt to gauge the true nature of China's political system. Empirically, Beibei Tang (2015), Tang and Dryzek (2014) and Niu and Wagenaar (2018) researched the deliberative system approach to examine the Chinese urban and rural everyday deliberations at grassroots level; and Fulong Wu suggested institutional analysis and developed the concept of "urban entrepreneurialism" to understand the policy practices and programmes around rural-urban integration. Meanwhile, in the field of social justice, Hyun Bang Shin suggested building alliances between migrants and urban residents as the way forward for all urban inhabitants to achieve a "right to the city" in China. Enlightened and encouraged by this research, we believe that the discussions around the integration of migrant populations will make a significant practical and theoretical contribution to an understanding of the policy process in an authoritarian society. More empirical and theoretical discussions are needed around how governments, grassroots-level regimes and other entities play their roles in the integration process of migrants on different levels? Through revisiting and investigating these practices, we can observe how democratic elements, such as public participation, democratic deliberation and authoritarian discretion manifest themselves within a political authoritarian setting, such as public participation, democratic deliberation and authoritarian discretion. This will not only generate more innovative and just urban development policies, but also expand the current theoretical discussion on policy-making and policy implementation in China. This thesis not only provides an empirical study that reveals the complexities and challenges in the field of policy-making and implementation around migrants' integration; but also discusses democracy and democratic governance in China, such as rural village/urban communities' self-governance, public participation in migrants' issues and the deliberative system.



Finally, this research will be eye-opening for western scholars wishing to understand China's deliberation from a micro-political perspective. This will enrich the academic literature concerning deliberation theories. He and Warren rightly argue that deliberation emerges in policy situations that exceed the government's problem-solving capacity (He and Warren, 2011). However, they have little to say about the way deliberation relates to the activities of other policy actors in dynamically complex policy environments or how it contributes to the policy-making process. By studying the micro-politics of deliberation in a real-world setting, this research contributes to a better understanding of the relationship between democratic deliberation and public policy making. Even in the liberal democracies of the West, that relationship is tenuous at best (Papadopoulos, 2012: 126). Harnessed to policy making, deliberative arrangements suffer from limited inclusiveness, capture by power elites, problems with democratic accountability and the failure of deliberative achievements to affect other institutions in the wider policy system (Papadopoulos, 2012: 146; Mansbridge et al., 2012: 23).

## **9.6 Limitation**

A methodological limitation of the qualitative research design lies in the researcher-induced bias and this is particularly significant in grounded theory method (Bryant and Charmaz 2007). In some extent, researchers can and should reduce their bias. To reduce this bias, this research introduced a thematic coding (Boyatzis, 2008) and an analytical scheme into this research as a check balance. The second concern in methodology is the qualitative interviews. The potential risk of relying the data from the interview is the "lack of neutrality" of the interviewee. To reduce this risk, this research introduced other data collection approaches, includes documents and participation observation. Integration of other data sources is helpful in triangulating the data and improving the 'reliability' of the data. The final concern of this study is the generalization. Two cases within one City will be never enough to reflect neither urban village regeneration programme in China, nor China's deliberation in policy making and implementation. More empirical studies are required in this field. As I mentioned, this research aims to pursue the "in-depth understanding" rather than "generalization". Although this research concluded with case- and context-specific arguments, it is worthy of for other cases' reference under the similar conditions and situations.

## 9.7 Future research agenda

This thesis has offered an in-depth analysis of deliberation in the urban village regeneration project. As previous discussion shows that, the deliberation and deliberative system in urban village regeneration projects includes indigenous residents into the decision-making process. However, there are many significant issues worth attention in further research. An agenda here should include empirical studies that not only place the deliberations in the local development context, but also lay out the potential and challenges of the deliberation according to the political and social theory. In particular, future research is needed to find out the role of deliberation in addressing the inequality in the authoritarian context.

First of all, more research on the exclusion of the tenants and rural migrants in urban village regeneration needs to be done. In the current thesis, the role of the tenants and rural migrants are not discussed in detail, because they are excluded from any deliberations and decision-making process. However, this process of social and institutional exclusion in urban village regeneration needs to be focused on in further research. As I discussed in Chapter Two and Chapter Three, the social and institutional exclusion is rooted in the rural governances system and the land ownership system. Firstly, the local governments and the village authorities only focus on the indigenous residents and landlords, not only in the compensation process but also in the reallocation process. Due to the land and property ownership system, lands and the properties within the urban villages were owned by the indigenous villagers only, so that the regenerated urban village communities are built around compensation and reallocation for the indigenous villagers. Secondly, the problem is not merely about the lack of ownership; more importantly, the migrants are not politically empowered to participate in the local issues. As discussed in Chapter Three, villages are self-governed by their villagers, and the village authority is only responsible for their villagers who hold a *hukou* within the village. This system provides an institutional obstacle for migrants to participate in the village deliberations at all. Constitutionally, the migrants are not the collective owners of the land and properties within the urban villages; meanwhile, the migrants do not have political rights to elect or be elected as the leadership within the urban village, so that local government and village authority have no motivation to negotiate with the tenants in the land acquisition process. Thus, not only in these two cases, in the urban village

regeneration programme among China, rural migrants have almost no ability to participate the regeneration process and share the benefits from the (re)development projects (Zhang, 2005; Lin and De Meulder, 2012; Hong, 2015). The migrants can do nothing but leave the regenerated urban villages and find alternative accommodations (Lu *et al.*, 2006). These migrants cannot argue for their interests through the deliberations in the urban villages because the village and village's properties are owned and managed collectively by indigenous villagers only.

The discussion above is not about finding an excuse for the local government to exclude the tenants and rural migrants out of the redevelopment process and the deliberation process. Instead, this research wants to raise a crucial question for further research: "can deliberation or deliberative system provide an answer for the inequality and exclusion in urban village regeneration and other urban development projects?" There are two potential ways to research this question in the future. From the institutional level, can deliberation empower the migrants? According to Heller and Rao (2016: 13), the disadvantaged groups have three possible channels of empowerment: "voting, bargaining, and arguing". In the current system, the migrants are excluded from voting because it is institutionally tied with the *hukou* system. However, can they recognize, expose and critique the regeneration programme effectively through more inclusive and deliberative deliberation? Apart from the institutional level, the operational level plays a significant role in addressing inequality (Appadurai, 2016). In authoritarian China the deliberations are used as the policy instruments which are targeted at problem-solving and enhancing governance effectiveness, the local governments are lack of motivation to include the potential stakeholder who cannot legally affect the redevelopment process (Niu, 2015). However, as discussed in Question 4, the deliberation itself can have a transformative effect on many other aspects of development extending beyond the development project itself, such as social, institutional and participatory capacity-building. Both media discussion and everyday talk paly significant roles by generating public awareness, exchanging information and forming public opinions. Can media discussion and everyday talk contribute to an inclusive deliberation?

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## Appendix one

Index Label	Personal Detail	Data Collection	
Planner A	Planning team member in Tongji Planning institution	Face to face interview	30 Minutes, recorded
Deputy mayor	Deputy mayor of Sunny District	Face to face interviewed	First time:25 Minutes, Unrecorded, note-taking, Second time: Face to face interviewed, 40 Minutes, recorded
Deputy-Chairman	Deputy-Chairman of the Standing Committee of the People's Congress in District:	Face to face interviewed	45 Minutes, recorded
Secretary-General	Secretary-General of Sunny District	Face to face interviewed	35 Minutes, recorded
Official A	Chief Executive of the IR street office	Face to face interviewed	35 Minutes, recorded
<sup>30</sup> Official B	Division Chief of the New-type Urbanization Office	Face to face interviewed	35 Minutes, recorded
<sup>31</sup> Official C	Chief Executive of the CR Street Office	Face to face interviewed	25 Minutes, Unrecorded, note-taking
Official D	Section Chief of the Compensation Group – led by New-type Urbanization Office	Face to face interviewed	35 Minutes, recorded
Official F	Section Chief of the Publicity Group – led by New-type Urbanization Office	Face to face interviewed	35 Minutes, recorded
Official G	Section Chief of the Headquarter of Land Acquisition:	Face to face interviewed	60 Minutes, Unrecorded, well-written keynotes <sup>32</sup> .
Officer H	Staff member of the Compensation Group	Face to face interviewed	35 Minutes, recorded
Official I	Staff member of the Publicity Group:	Face to face interviewed	30 Minutes, recorded

<sup>30</sup> I worked with him for 4 weeks to observe the routine, we also have a lot of talk with my two cases, and I wrote down the key points

<sup>31</sup> Instead of talk about his story, he provided the working dairy and some document of the district government. Some of the documents are confidential, therefore, I can only write down some keynotes, but I cannot get the photocopy.)

<sup>32</sup> This officer is extremely prudent, as the stories he experienced are very sensitive. The conversation is mainly around the force demolition, collective petition, and nail house. He is happy to talk and provide enough time for written down. I also got a lot of photos about the force demolition from him.

Official J	Section Chief of Public Security Department of the IR street office	Face to face interviewed	45 Minutes, recorded
Staff member T	Deputy Director of the Residents' committee of Community T, Former village cadre in village C	Face to face interviewed	55 Minutes, recorded
Staff member N	Staff member of the Residents' committee of Village N Community	Face to face interviewed	45 Minutes, recorded
RC Director N	Director of Residents' Committee of regenerated Village N	Face to face interviewed	80 Minutes, recorded
RC Director T	Director of Residents' Committee of Community T	Face to face interviewed	40 Minutes, recorded
Director N	Director of Village Committee of Village N	Face to face interviewed	75 Minutes, recorded
Village Secretary N	Secretary of the Residents' committee of Village N Community	Face to face interviewed	30 Minutes, recorded
Village Director T 1	Cadre in Community T former village Director of the Village T1	Face to face interviewed	35 Minutes, recorded
Village Director T 2	Cadre in Community T former village Director of the Village T2	Face to face interviewed	40 Minutes, recorded
Director T	Director of the Residents' committee of Community T	Face to face interviewed	35 Minutes, recorded
Village Cadre N 1	Party Member of the Standing Group of Village N	Face to face interviewed	35 Minutes, recorded
Village Cadre N 2	Village representative	Face to face interviewed	30 Minutes, recorded
Village Cadre T 1	Cadre in Community T former Party Member of the Village T1	Face to face interviewed	35 Minutes, recorded
Village Cadre T 2	Cadre in Community T; former villagers' representative of the Village T2	Face to face interviewed	50 Minutes, recorded
Villager N 1	Native Villager of Village N	Face to face interviewed	55 Minutes, recorded
Villager N 2	Native Villager of Village N	Face to face interviewed	25 Minutes, recorded
Villager N 3	Native Villager of Village N	Face to face interviewed	35 Minutes, recorded
Villager N 4	Native Villager of Village N	Face to face interviewed	20 Minutes, recorded

Villager N 5	Native Villager of Village N	Face to face interviewed	15 Minutes, recorded
Villager N 6	Native Villager of Village N	Face to face interviewed	35 Minutes, recorded
Villager N 7	Native Villager of Village N	Face to face interviewed	35 Minutes, recorded
Villager N 8	Native Villager of Village N	Face to face interviewed	35 Minutes, recorded
Villager N 9	Native Villager of Village N	Face to face interviewed	20 Minutes, recorded
Villager T 1	Native Villager in Community T:	Face to face interviewed	35 Minutes, recorded
Villager T 2	Native Villager in Community T:	Face to face interviewed	45 Minutes, recorded
Villager T 3	Native Villager in Community T:	Face to face interviewed	25 Minutes, recorded
Villager T 4	Native Villager in Community T:	Face to face interviewed	35 Minutes, recorded
Villager T 5	Native Villager in Community T:	Face to face interviewed	25 Minutes, recorded
Villager T 6	Native Villager in Community T:	Face to face interviewed	25 Minutes, recorded
Villager T 7	Native Villager in Community T:	Face to face interviewed	30 Minutes, recorded
Villager T 8	Native Villager in Community T:	Face to face interviewed	30 Minutes, recorded
Villager T 9	Citizen Tenant, retailer	Face to face interviewed	35 Minutes, recorded
Villager T 10	Citizen Tenant, retailer	Face to face interviewed	35 Minutes, recorded
Tenant N 1	Tenant in Village N- retailer:	Face to face interviewed	35 Minutes, recorded
Tenant N 2	Tenant in Village N- street restaurant owner	Face to face interviewed	15 Minutes, recorded
Tenant N 3	Tenant in Village N- Street breakfast restaurant owner	Face to face interviewed	25 Minutes, recorded
Tenant T 4	Tenant in Community T: transit residents of resettlement	Face to face interviewed	35 Minutes, recorded
Tenant T 5	Tenant in Community T: transit residents of resettlement	Face to face interviewed	35 Minutes, recorded
Tenant T 6	Tenant in Community T – Junior Government staff	Face to face interviewed	35 Minutes, recorded
Tenant T 7	Citizen Tenant, enterprise staff	Face to face interviewed	35 Minutes, recorded
Tenant T 8	Citizen Tenant, retailer	Face to face interviewed	35 Minutes, recorded



